

THE COUP: HOW BANKERS SEIZED AMERICA

the Atlantic

MAY 2009 THEATLANTIC.COM

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of Alec
Baldwin

BY CAITLIN FLANAGAN

Pakistan's
City of the
Future

BY ROBERT D. KAPLAN

Kim
Jong Il
Used
Facebook ...

BY SAGE STOSSEL

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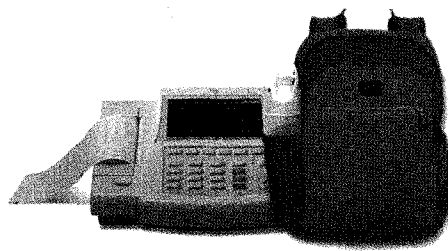
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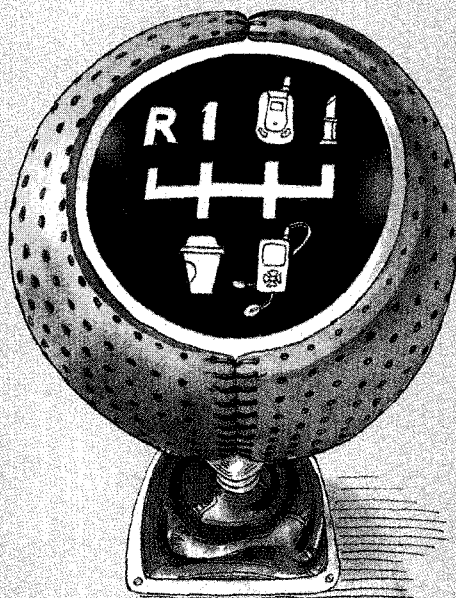


imagination at work

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Sources: The NHTSA 100 Car Driving Study, 2006, and The Allstate Foundation Report on Teen Driving, 2005.
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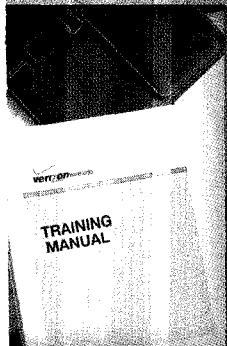
By Lynn Ferrin

TECHNOLOGY

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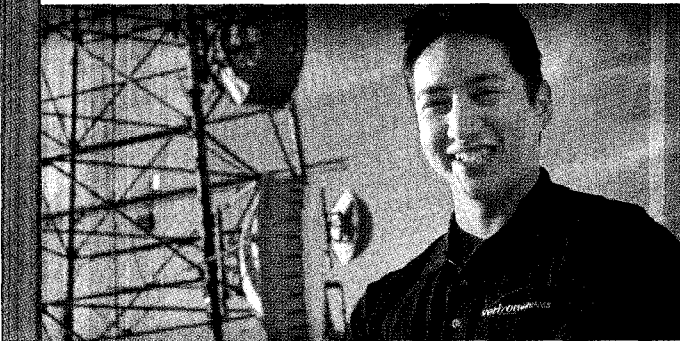
TrackMeNot lets you disguise your Internet searches—sometimes at society's expense.

By Yudhijit Bhattacharjee



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HIGHLIGHTS FROM THEATLANTIC.COM



INTERVIEW

The Con Game

Jeffrey Goldberg explains why he bought gold, stocked up on lanterns, consulted a survivalist—and finally fired his broker.



INTERACTIVE

The First 100 Days

A special report—with essays, graphics, and reader input—assesses Obama's progress on national security, the economy, and more.



VIDEO

Extraordinary Gentleman

James Parker demystifies the occult power grid of Alan Moore films, and their rising appeal.



SLIDESHOW

Cliff-hanger

Veteran rock climber Wayne Merry shares memories of the first ascent of El Capitan, one of Yosemite's most daunting peaks.

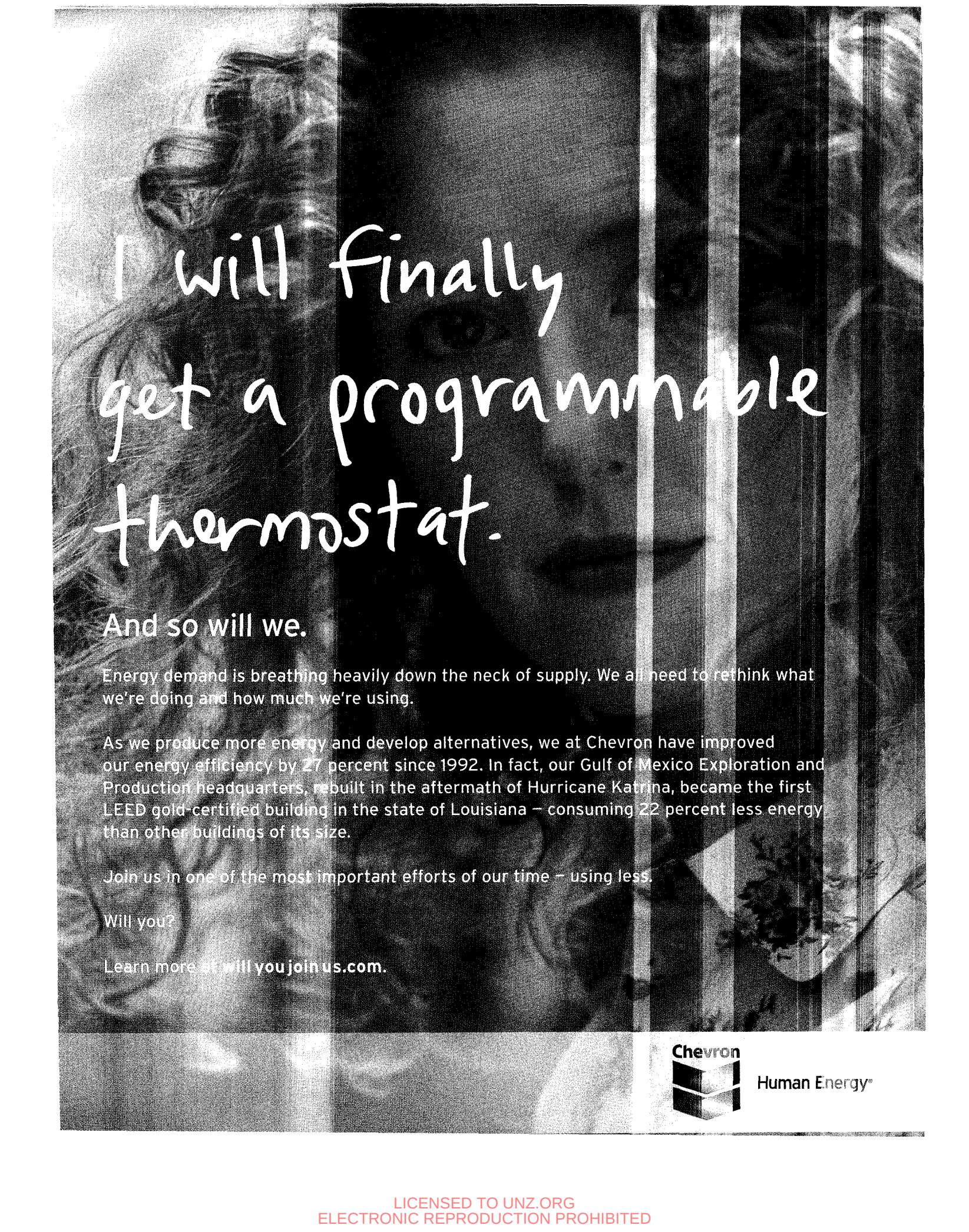


BLOGS

Your Table Is Ready

Corby Kummer and company cover dining, drinking, and the latest culinary trends at Atlantic Food, the site's newest channel.

MATT SAYLES/AP



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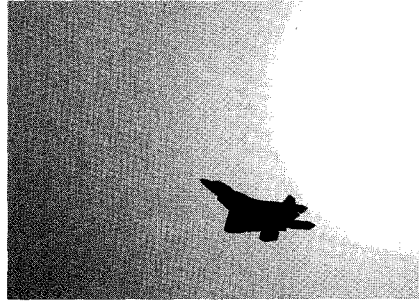
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LETTERS TO THE EDITOR



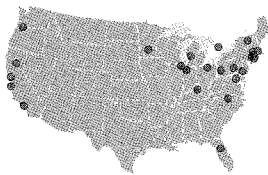
CHANGING CITYSCAPES

I suspect that many will be surprised by Richard Florida's criticism of homeownership ("How the Crash Will Reshape America," March *Atlantic*). Maybe it's high time someone had the temerity to call this sacred cow a nightmare. There's a problem, however: renting deprives millions of Americans of a goal that, since childhood, they have been taught is—like a college education—a worthwhile and achievable one. Homeownership validates their claim to membership in a class that has a tangible stake in America.

HOSEA L. MARTIN
CHICAGO, ILL.

Log

A map of reader responses to Richard Florida's March article on the changing economic landscape of the U.S.:



FUTURE FIGHTERS

Mark Bowden's article ("The Last Ace," March *Atlantic*) should have been titled "Ode to the Fighter Pilot." Mr. Bowden made no reference to the best argument against spending untold billions for a full complement of F-22s—remotely piloted aircraft, which make up a rapidly growing and capable segment of U.S. military air power. They are much cheaper to build and operate than piloted aircraft, primarily because they have no life-support systems. They can turn and maneuver more sharply, since g-forces are of little concern. And if a remotely piloted aircraft were to be shot down, there is no pilot to rescue. If these aircraft can perform as well as or better than manned aircraft, then the days of the fighter jock should be over.

GREGORY CROWELL
COOPERSTOWN, N.Y.

As a physicist, I must point out that Mark Bowden's article is plagued by a misunderstanding of the relationship between electrons and electromagnetic radiation (such as that used by radar). Electrons are not emitted by aircraft radar sets in any important quantities. If Mr. Bowden wants to write in terms of particles emitted and absorbed by radar sets, the correct particles are photons, the quanta of electromagnetic radiation.

JOHN CARAHER
GREENCASTLE, IND.

Mark Bowden replies:

Given the cost of combat jets, I figure just about any administration would prefer a viable, cheaper alternative that does not place pilots at risk. I suspect that

unmanned fighters capable of modern air-to-air combat are in the U.S. Air Force's future, but to my knowledge, no such aircraft yet exist that can rival a piloted fighter. The F-22, on the other hand, is fully designed, tested, and operational.

Thanks to John Caraher and the many others who corrected my high-school physics.

DEBATING GAY BISHOPS

Paul Elie paints a sympathetic portrait of Rowan Williams ("The Velvet Reformation," March *Atlantic*), but he does not seem to understand Anglican history and polity very well.

Henry VIII did not found the Church of England. He simply removed it from papal jurisdiction. English Anglicans have always been careful to insist upon the continuity between their Church and that of their pre-Reformation ancestors.

Additionally, although it would be nice if Williams had been "elected easily" to the primacy of the English Church, he was chosen by Prime Minister Tony Blair from names submitted by the Crown Appointments Commission. The queen made the formal appointment. The only election was a pro forma ceremony by the Dean and Chapter of Canterbury Cathedral.

JOHN RICHARD ORENS
PROFESSOR OF HISTORY
GEORGE MASON UNIVERSITY
FAIRFAX, VA.

Paul Elie misreads Archbishop Rowan Williams. When the archbishop of Canterbury says he doubts that there will be openly gay bishops in the Church of England in 10 years, he adds: "I doubt that we'll have progressed that far in our discernment process." Elie takes the quoted statement to mean "not yet," and he's confident that Williams is personally in favor of openly (and presumably noncelibate) gay bishops.

But the emphasis on Williams's individual opinion is misplaced. The emphasis should instead be placed on the phrase *discernment process*. Williams honestly believes that as *cantuar*, and as a member of the Church Catholic, he is called to participate with others in discerning the mind of the Church, responsive to the will of God.

DAVID HEIN
PROFESSOR OF RELIGION
AND PHILOSOPHY
HOOD COLLEGE
FREDERICK, MD.

Paul Elie replies:

No, the archbishop of Canterbury is not elected by the bishops in the sense I suggested (though the many reports

SEAN MCCABE; U.S. AIR FORCE PHOTO/SENIOR AIRMAN GARRETT HOTHAN; CLARO CORTES (W/000517/REUTERS/CORBIS)

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of Williams's "election" confused the matter). But John Richard Orens's other point is less a point of accuracy than a piece of polemic in disguise. As it happens, there was no Church of England before Henry's. There was a church, founded in Jerusalem, centered in Rome, with adherents in the British Isles. The many points of agreement between Rome and Canterbury don't alter the fact that Henry did create something new, nor the fact that in the name of the Church of England, the Roman Catholic Church was brutally suppressed.

Scholars are always saying that journalists lack subtlety about religion, but it seems to me that David Hein willfully misses the subtlety of my article. I don't know what Rowan Williams thinks, only what he has said and written—and what he said to me in our two encounters at Lambeth Palace suggested that he would think greater openness to gay bishops a good thing. The quote at the end of the article bears this out: he, not I, spoke of gay bishops in terms of progress. My own view is that we shouldn't have to guess—that the effort to discern what the archbishop of Canterbury thinks complicates the church's effort to discern the right way forward about homosexuality. So I ended the piece by proposing that Williams should say what he thinks more forthrightly.

MIRACLE DRUG?

I was very happy to learn that Virginia Postrel's health-insurance company paid \$60,000 for her Herceptin treatments ("My Drug Problem," March Atlantic). But who really paid for these treatments? Her co-insureds or her employer.

Unfortunately, the more drugs and treatments an insurance company covers, the higher the premiums will be, leaving fewer people and companies able to afford insurance. The net result: more people with no health insurance and more bankrupt companies like General Motors. No society can afford to give every one of its members every available medical treatment. Society has to make choices. On the battlefield, this is called "triage." The U.S. has opted to provide medical care to

the well-heeled and to those employed by companies that provide health insurance.

ANNE RICHMOND
DELRAY BEACH, FLA.

Virginia Postrel omits the most important word from her article on cancer treatment: *price*. Drug companies claim that it costs them about \$900 million to bring a drug to market, but that figure has never been subject to audit. Pharmaceutical manufacturers charge and get any price they want for drugs that probably cost them pennies per dose.

I propose that as a condition for FDA approval of any new drug, the manufacturer must agree to a price calculated by the Government Accountability Office. This price would consist of the actual cost to produce the product plus a percent markup, all of which would be public record.

DAVID R. WORK
EXECUTIVE DIRECTOR EMERITUS
THE NORTH CAROLINA BOARD
OF PHARMACY
CHAPEL HILL, N.C.

Virginia Postrel replies:

Anne Richmond, who seems to have forgotten about Medicare and Medicaid, wants to herd everyone into a bare-bones insurance system, presumably administered by the government, and then institute "triage." In the short term, expensive drugs like Herceptin would be available only to affluent people with the resources to pay out of pocket. In the long term, with the elimination of much of the potential market, expensive drugs like Herceptin wouldn't get developed.

Like many other people, Richmond seems not to understand the difference between a voluntary contract to share risks—insurance, in other words—and a forced subsidy. Employment-based insurance has many problems, but it is, in fact, a form of compensation. If The

Atlantic did not offer health insurance, or provided less generous coverage, it would have to pay higher salaries for the same staff. That different businesses and individuals can make different trade-offs between the costs of health care, or health insurance, and other goods is a plus, not a minus, of our patchwork system. It avoids the all-or-nothing political decision about whether a treatment is worth paying for.

David Work assumes away the extremely risky and expensive process of drug development. Genentech spent roughly \$200 million to turn Herceptin into a marketable drug, and that figure understates the perils of the process. The drug could easily have failed to work, diverting scarce resources from other drugs and

doing significant financial damage to the company. The cost of a successful drug includes the costs of the many, many promising ideas that never make it.

Work's specific prescription would corrupt the FDA's approval process, which should be focused on scientific questions of safety and efficacy, not economic considerations.

Editors' Note

Richard Florida's March article, "How the Crash Will Reshape America," identified Christopher Berry as a Harvard economist. He is an assistant professor at the University of Chicago's Harris School of Public Policy Studies. Sandra Tsing Loh's March article, "Class Dismissed," identified Abraham Maslow as a psychiatrist. He was a psychologist. Mark Bowden's January/February article, "The Hardest Job in Football," incorrectly stated the final score of the September 21, 2008, New York Giants–Cincinnati Bengals game. It was 26–23. We regret the errors.

To submit a letter to the editor, please e-mail us at letters@theatlantic.com. Include your full name, city, and state.

QUICK STUDY

PSYCHOLOGY

Grade-School Gamblers

Children who showed high levels of hyperactivity and inattentiveness as kindergartners were much more likely to buy lotto tickets, bet on sports, and play video poker in the sixth grade than were less impulsive students. This suggests that impulsivity is a “developmentally continuous” trait that can lead to a lifetime of risky behavior. And since youthful wagering often precedes compulsive gambling—which leads to poor health, criminality, and substance abuse—it could “easily unravel into a public health issue.”

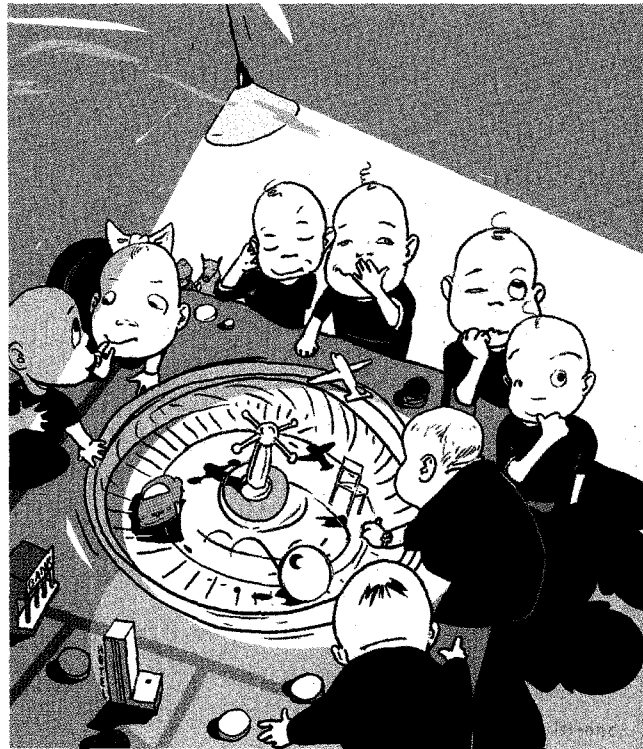
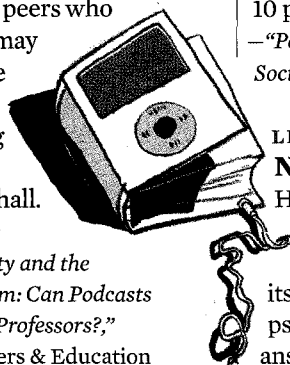
—“Predicting Gambling Behavior in Sixth Grade From Kindergarten Impulsivity,” Archives of Pediatrics & Adolescent Medicine

TECHNOLOGY

The A+ App

iPods are as ubiquitous on today’s college campuses as pens and notebooks, and they may make better learning tools. Students who listened to a lecture podcast and took notes scored far better on exams than students who attended the class in person. A majority in the podcast group also listened to the lecture more than once while studying, gaining an edge on peers who may or may not have been napping in the lecture hall.

—“iTunes University and the Classroom: Can Podcasts Replace Professors?,” Computers & Education



SOCIETY

Cool Cash

Nerds never win—in fact, they make significantly less money as adults than their cooler classmates. Men who’d been popular as high-school seniors were making more money, 35 years later, than their less popular peers, even after controlling for family background and intelligence. Just one additional high-school friendship resulted in roughly half the income gain from an extra year of education, and “turning a social reject into a star” would “yield him a 10 percent wage advantage.”

—“Popularity,” Institute for Social & Economic Research

LITERATURE

Novels of Manners

How do our minds differentiate between a novel’s heroes and its villains? Evolutionary psychology suggests one answer. When asked to

consider characters in 19th-century British novels, readers consistently identified as protagonists those who were more conscientious and likely to form alliances—behavior that fulfills “an adaptive social function.” Those they labeled antagonists were status-seeking, power-hungry, and selfish—all traits that work against the “egalitarian social dynamic” that our ancestors valued. Novels may allow us to live vicariously in idealized societies, or they may encourage us to acquire socially beneficial traits.

—“Hierarchy in the Library: Egalitarian Dynamics in Victorian Novels,” Evolutionary Psychology

ECONOMICS

Bonus-Blindness

The bonuses bankers have handed themselves in recent years aren’t just excessive—they may have hastened Wall Street’s collapse.

Although cash incentives tend to make people work harder, expending too much effort can actually hinder tasks that require creativity, problem solving, and concentration. Anticipating large bonuses can lead to excessive self-consciousness and a focus so narrow that it warps perspective by blocking important outside information—like, say, common sense.

—“Large Stakes and Big Mistakes,” Review of Economic Studies

TERRORISM

Culture Warriors

Last November’s rampage in Mumbai wasn’t an ordinary terrorist attack—the group behind it is part of a new “strategic terrorist culture” that presents as big a threat as al-Qaeda. Since counterterrorism forces worldwide have focused on preventing suicide bombings and other explosive attacks, Lashkar-e-Taiba (the group thought to be responsible) supplemented its use of bombs with gunfire, completely overwhelming the Indian police. And because they planned the attack impeccably, the terrorists roiled politics in India and Pakistan to their advantage, dominated international media coverage, and sparked pervasive fear among the Indian elite. “This indicates a level of strategic thought—a strategic culture—that makes this terrorist foe particularly dangerous.”

—“The Lessons of Mumbai,” Rand Corporation



POWER LUNCH OVER THE FRESHES

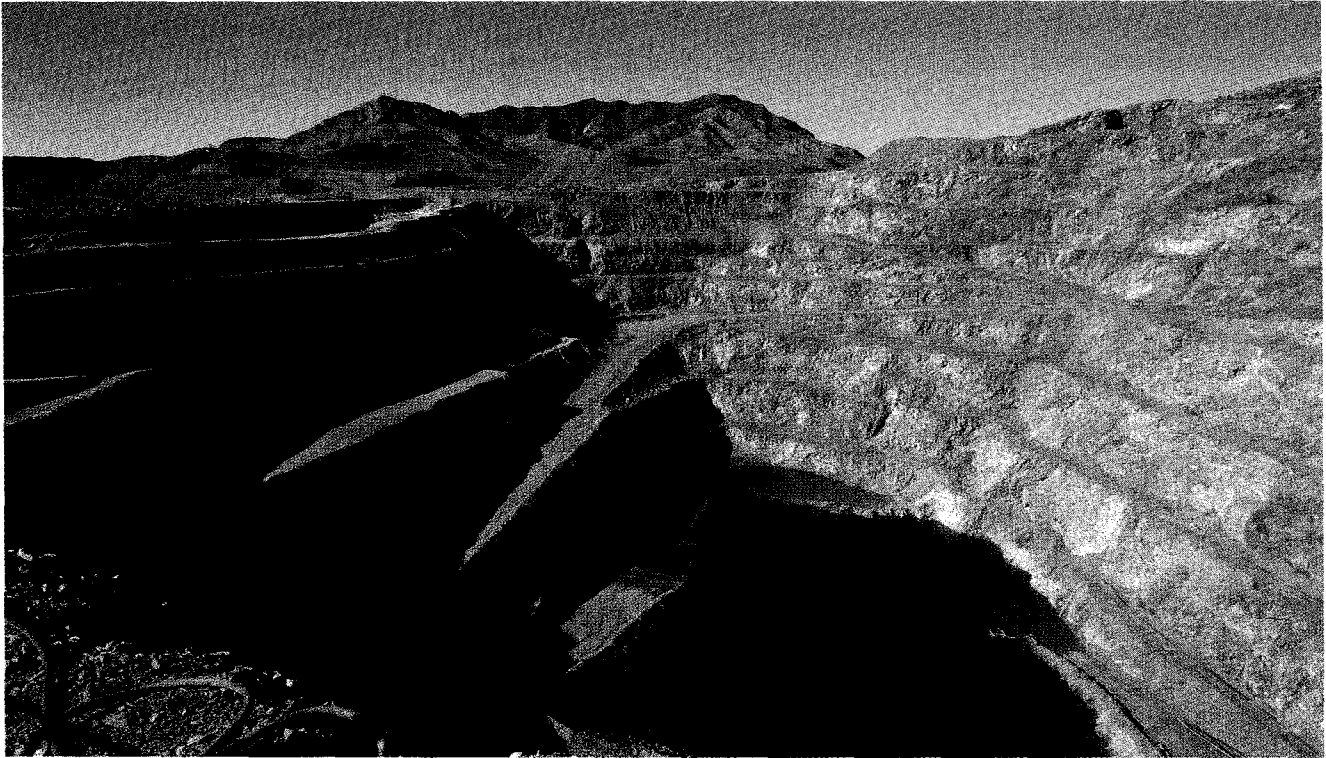
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DISPATCHES

ENVIRONMENT *Lisa Margonelli visits the mine that might power the green revolution.*
SPORT *Bruce Schoenfeld finds a beautiful new sports arena in Kansas City. Only one thing's missing.*
PUBLISHING *Jay Parini ponders historical fiction and fictional history.*
CITIES *Suzy Hansen on depriving Turks of a favorite (and deadly) cultural rite*
FOOD *Corby Kummer weighs the pleasures and hazards of locally raised meat.*
TRAVEL *Lynn Ferrin considers the enduring allure of Yosemite's granite walls.*
TECHNOLOGY *Yudhijit Bhattacharjee on the case for less Internet privacy*



Until 1989, this mine in Mountain Pass, California, provided most of the world's rare-earth metals.

ENVIRONMENT

Down and Dirty

HYBRID CARS AND WIND TURBINES NEED RARE-EARTH MINERALS THAT COME WITH THEIR OWN HEFTY ENVIRONMENTAL PRICE TAG.

By Lisa Margonelli

THE UNINCORPORATED COMMUNITY of Mountain Pass, California, has little to recommend it to tourists. A scraggly outcrop of rocks and Joshua trees alongside Route 15, it has no kitschy landmarks like the 134-foot-tall thermometer that nearby Baker, California, installed in the Mojave Desert, and no casinos like Las Vegas has an hour up the road. But behind a Band-Aid-colored industrial gate lies an attraction

of sorts: a 55-acre open-pit mine created by a 21st-century gold rush, one result of the effort to keep the world from getting hotter than it already is.

Mountain Pass's mine contains a rare-earth ore that yields neodymium, the pixie dust of green tech—necessary for the lightweight permanent magnets that make Prius motors zoom and for the generators that give wind turbines their electrical buzz. In fact, if we are

going to make even a few million of the hybrid and electric cars that are supposed to help rescue the planet from global warming, we will need to double production of neodymium in short order.

But in 2006, nearly all of the world's roughly 137,000-ton supply of rare-earth oxides came from China. And over the past few years, China has cut exports to nurture its own permanent-magnet industry, sending the price of neodymium oxide to a high of \$60 a kilo in 2007. This worries analysts like Irving Mintzer, a senior adviser to the Potomac Energy Fund who sees shortages stifling clean-tech industry, and worse. "If we don't think this through, we could be trading a troubling

dependence on Middle Eastern oil for a troubling dependence on Chinese neodymium.”

Rare earths are actually fairly common. What’s rare is finding deposits that can be mined profitably, in part because most contain radioactive thorium. Relatively speaking, Mountain Pass—whose rare-earth deposits were discovered in 1949—is not too radioactive, and through the 1950s the ore was mostly used to make flints for lighters. In the 1960s, the pit grew deeper as demand increased for the rare-earth element europium, which was used to create the red tones in color TVs. In fact, until 1989, the expanding pit at Mountain Pass supplied most of the world’s rare earths.

But in the early 1990s, cheaper Chinese rare earths began eating into the mine’s market share. Deng Xiaoping famously compared China’s abundance of rare earths to the Middle East’s huge oil reserves. As Chinese ore came onto the market, the price fell from \$11,700 a ton in 1992 to \$7,430 a ton by 1996 (in constant dollars). Amassing strategic supplies suddenly seemed old-fashioned, and the U.S. government began selling off its stocks of minerals.

Mountain Pass couldn’t compete on price alone—especially given the mine’s growing ecological costs. In 1998, chemical processing at the mine was stopped after a series of wastewater leaks. Hundreds of thousands of gallons of water carrying radioactive waste spilled into and around Ivanpah Dry Lake.

Mark Smith, the CEO of Molycorp, which bought Mountain Pass in 2000, thinks that the environmental problems that have made the mine’s operation so difficult have largely been resolved, and believes the site can be fully revived. Standing on the edge of what is now a 500-foot-deep pit, he touts his successful negotiations with 18 California

regulatory agencies to reopen the mine, and points out some of the company’s newfangled environmental safeguards. (One involves interlocked 18-sided plastic balls floating on standing wastewater pools to limit evaporation and prevent salts from building up after the mine eventually shuts down.) “We want to be environmentally superior, not just compliant. We want to be sustainable and be here for a long time,” he says expansively before talking about opening a permanent-magnet factory employing 900 nearby.

But Smith’s effort to turn Mountain Pass into an environmentally friendly producer—call it the Whole Foods of premium free-range sustainable neodymium—comes with costs his Chinese competitors don’t have to pay: for starters, \$2.4 million a year on environmental monitoring and compliance. Will carmakers really be willing to pay more for local minerals and homegrown magnets? “Absolutely,” Smith says, noting that the mine’s historic customers in the U.S. and Japan have given their assurances.

Over the next 30 years, Molycorp is permitted to make its pit 300 feet deeper, which could increase the world’s supply of rare earths by 10 percent or more a year. But the consequences of the nascent green nationalism behind the mine’s revival—a weird amalgam of environmentalism, economics, and national security—will likely be less predictable. Consider the views of the industry analyst Jack Lifton—by no stretch your standard environmental activist (“I don’t give a rat’s ass about global warming”). To protect U.S. industry from supply shocks, he has called on the government to mandate the recycling of strategic minerals. A “bottle bill” for cars, long dismissed as an environmentalist’s dream, is just one possible outcome. Another could be a backlash of resource nationalism in supplier nations like China. As green nationalism’s potent mix of idealism and fear changes the kinds of cars we drive, it also promises to change the course of globalization. ■

*Lisa Margonelli is an Irvine Fellow at the New America Foundation and the author of *Oil on the Brain*.*

SPORT

Empty Seats

IF YOU BUILD IT, THEY MIGHT NOT COME.

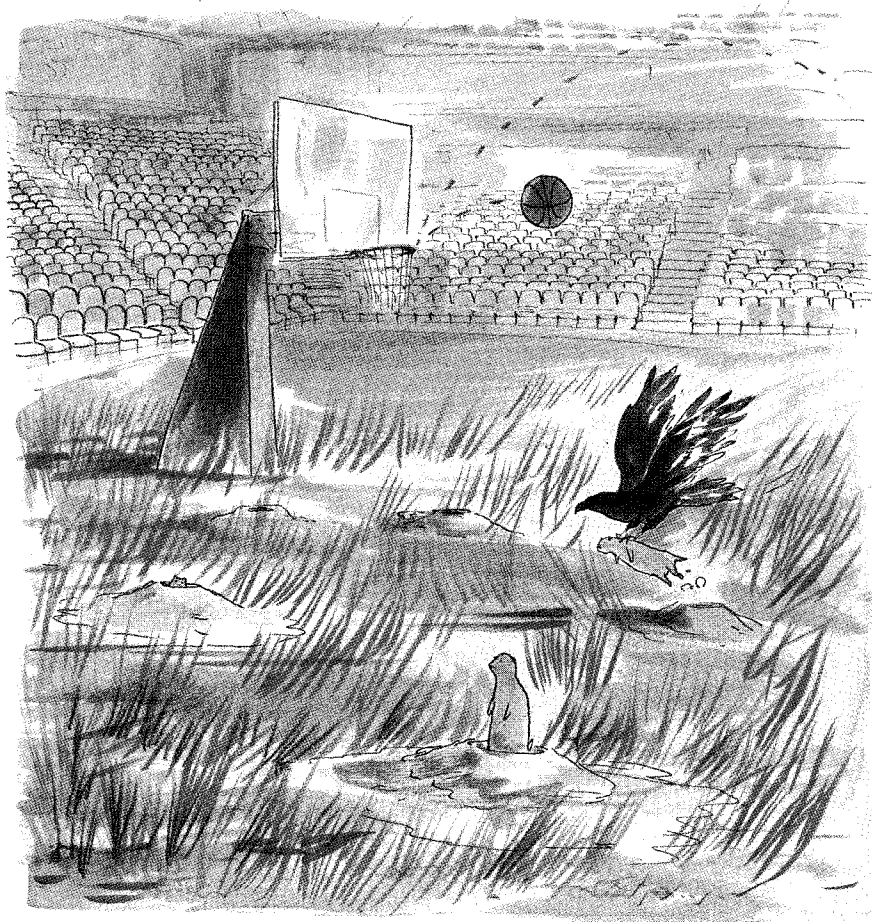
By Bruce Schoenfeld

THE SPACIOUS HOCKEY locker room of Kansas City’s Sprint Center smells like a new-car showroom. The rubberized floor is unscuffed by skates, the walls unmarked by stick blades. Lockers stand waiting, as pristine as cabinets in a model home.

Since the Sprint Center opened in October 2007, exactly one hockey game has been played there, the St. Louis Blues against the Los Angeles Kings in a preseason exhibition last September. And while college basketball, the circus, a motivational seminar, and a number of concerts have passed through, the arena still lacks a big-league franchise. A flirtation with the NHL’s Pittsburgh Penguins turned out to be nothing more, while the NBA’s Seattle SuperSonics chose Oklahoma City instead. As I walk the terrazzo floor of the main concourse one morning, passing specialty food concessions, a QuikTrip convenience store, and a team retail outlet that awaits its team, the arena seems cavernously empty, as it must for all but the 10 or so days a month that it stages events.

At one time, Kansas City—a town of some 1.9 million—was able to support four sports teams. But while big crowds still turn out for baseball’s Royals and football’s Chiefs, the city hasn’t had major indoor sports for more than two decades (the basketball team departed for Sacramento in 1985; the hockey team left for Denver in 1976). Increasingly, the NHL and NBA are avoiding towns like Kansas City in favor of minor-league markets—like Memphis, Oklahoma City, Ottawa, and Raleigh—where they don’t have to compete with baseball and football for fan interest, corporate dollars, and media attention. When I visited Oklahoma City not long ago, I understood: its excitement at being labeled “major league” for the first time was palpable. The new team, though woefully inept, was the talk of the town. At the same time, four other major cities that once had basketball or hockey—San Diego, Seattle, Cincinnati,





and Baltimore—also seek new teams to augment their baseball and football franchises, yet they’ve been overlooked.

That’s why Kansas City’s decision, in 2004, to earmark \$222 million from hotel and car-rental taxes for an arena is so baffling. The Anschutz Entertainment Group, which operates arenas that are home to 11 NBA or NHL franchises and owns hockey’s Kings, has partnered with the city, contributing an additional \$54 million to construction costs in exchange for a 35-year contract. Still, AEG’s connections have not helped bring in a team.

“I very much want one here,” says Kay Barnes, who was serving as the city’s mayor when the funding passed. “It’s fair to say that was a large part of the consideration. We had, and continue to have, confidence in AEG’s ability to work with the NHL and NBA to bring a franchise to Kansas City at the right time.” Until then, AEG will cover the facility’s operating losses.

The arena, built on the edge of a revitalized downtown neighborhood called the Power & Light District, is

undoubtedly big-league. Sheathed in glass and designed in a glossy but unfinished style that general manager Brenda Tinnen calls “metro loft,” it holds as many as 18,500 seats. It features amenities such as 42-inch HDTV screens in the suites and an MRI machine for injured athletes. When the Kings and Blues met here last September, players said the facilities were among the best they’d seen. In January, the New York Islanders—whose owners are unhappy with their current arena deal—announced their intention to play an exhibition game in Kansas City next season, leading to another round of speculation that a big-league team will make the Sprint Center its permanent home. But it seems just as likely that the Islanders, like other teams before them, are simply using the city as leverage to get a better deal elsewhere.

For now, Kansas City remains cautiously optimistic that the decision to build the Sprint Center was an enlightened one. The taxes that fund it are largely being paid by visitors, after all, and the concerts and NCAA games it has

already attracted would have bypassed the old, outdated Kemper Arena. Mayor Mark Funkhouser, formerly the city auditor, had struggled to understand how spending \$222 million on an arena made economic sense. “Now that I’ve inherited it,” he says, “I tell people it’s a shotgun wedding, but I have to make the marriage work. And if you look at it just in terms of the performance of the facility itself, it has exceeded expectations. It’s shiny and new. People like it.”

Even before I ventured inside, I could see why. After lunch at an ambitious nearby restaurant—one that undoubtedly would be enjoying more success if the Sprint Center was attracting as many as 200-odd annual events like most new venues, but probably wouldn’t exist if the arena didn’t—I stepped outside and was startled by the shimmering, 13-story glass bowl parked like a spaceship at the end of the block. For a moment, I took it for a piece of public art, on the order of the Bilbao Guggenheim or the Gateway Arch, the kind of thing that might come to symbolize a city. I would have stayed around to see a basketball or hockey team play, had one existed. ■

Bruce Schoenfeld is a magazine writer and the author of The Match: Althea Gibson and Angela Buxton.

PUBLISHING

Making History

HOW HISTORICAL FICTION WENT HIGHBROW

By Jay Parini

ONE SEEDY BAR on a side street in Key West advertised its wares on a scrawled sign: LIVE GIRLS UPSTAIRS. Beats the alternative, I suppose.

With its invariable August weather and (usually more discreet) invitations to decadence, this tiny island—the southernmost point of the continental United States—has lured countless writers over the years. Ernest Hemingway, Tennessee Williams, and Elizabeth Bishop lived there, and their houses still attract tourists. (Hemingway had the best house, as he would; it’s a museum now, crawling with cats that may be distant relatives of Papa’s own pets.) Novelists, playwrights, and poets



Would Papa have written historical fiction? A cat examines Ernest Hemingway's typewriter at his home in Key West.

continue to hide out from northern winters among the island's leafy palms and clapboard conch houses, largely ignoring the bawdy revels that take place every night on Duval Street.

And so this year at the Key West Literary Seminar, now well into its third decade, some heavy hitters in the world of historical fiction met for something like pre-spring training. The likes of Gore Vidal, Joyce Carol Oates, Peter Matthiessen, Russell Banks, William Kennedy, Marilynne Robinson, and Barry Unsworth were joined by historians such as Eric Foner and David Nasaw to sit in the sun for a week or so and talk about making history.

History is, of course, a made thing. It does not exist by itself in anything like a recognizable form. Indeed, we might all forget where we have been, if we didn't have somebody to assemble and arrange the little blocks called facts from which history is constructed, artfully or less so. As Foner put it in his keynote address, "Works of history are first and foremost acts of the imagination." And yet, while history itself has attained the status of social science—though not in the mind of Foner, who has campaigned at Columbia to have his department

moved to the humanities—historical fiction has, in the past, been snubbed. The term *historical novel* was slightly derogatory, summoning visions of pageantry, as in the works of Sir Walter Scott or, more recently, Georgette Heyer or Herman Wouk. History served as a kind of brocade curtain, against which ordinary people (for the most part) strutted their stuff.

Yet as I listened in Key West to readings, lectures, and panel discussions, one thing seemed obvious to me: historical fiction has become our primary form of fiction. In our high-velocity, high-volume world, the present can seem just too bright, too close. We need the filter of memory to pull reality into focus. And so, one gets "real" history in novels such as Vidal's *Lincoln*, Banks's evocation of the abolitionist John Brown in *Cloudsplitter*, or a recent sequence of stories by Oates called *Wild Nights!* (after the poem by Emily Dickinson), in which she summons the ghosts of Poe, Dickinson, Twain, James, and Hemingway.

One of the highlights of this year's seminar was a reading by Sena Jeter Naslund from her latest novel, *Abundance*, about Marie Antoinette, the

doomed queen who came from Austria to France in 1770 to marry the dauphin. Naslund sprang to prominence with *Ahab's Wife*, a "biography" of the fictional sea captain's wife, to whom Melville alluded briefly in *Moby-Dick*. Both lives are telling, and Naslund, like so many novelists today, uses the rise and fall of the biographical arc to summon a world. The parts declare the whole.

I once asked Peter Ackroyd, the English novelist and biographer, what the difference was between his novels and his biographies. He said to me, in his deadpan way, "In biographies you can make things up. In novels you are obliged to tell the truth." Of course, almost any novel can be called "historical," in that the work of memory is always involved; and anything transmogrified by memory becomes, indeed, fiction—from the Latin word *factio*, which means "shaping." And yet, for better and for worse, that act of shaping can go only so far. As Mark Twain famously put it, "Fiction is obliged to stick to possibilities. Truth isn't."

Walking along Duval Street on the last day of the seminar, I wondered about the potent, combustible mix of reality and imagination, something that confronts all writers. What is real? What is made-up?

Suddenly, a large woman wearing a python as a necklace asked me if I wanted to pet him. "He's real," she said. A muscular young man stood in the dark doorway of a gay disco, in nothing but a thong. He waved at me. In fact, he might have even winked. ■

Jay Parini is a professor of English at Middlebury College. His historical novel, *The Last Station*, about the final days of Leo Tolstoy, is now a Hollywood film.

CITIES

Turkish Delight

WILL ISTANBUL'S WAY OF LIFE SURVIVE A SMOKING BAN?

By Suzy Hansen

ONE SUMMER EVENING in Istanbul, I saw a taxi driver stop in the middle of the street and gracefully extend his arm out the window, lighter in hand. A young man ran over and lit his cigarette. The cabbie drove on. No

ROBERTO RODRIGUEZ/AP

words were exchanged in this urban ballet. Stopping your taxi to light a stranger's cigarette wasn't strange at all.

In Istanbul, people smoke as if they're living in a Godard film. At the taverns, they smoke through dinner, eating mezes and drinking raki with one hand and stabbing ashtrays with the other; women eschew vanity for long drags of Parliaments; storekeepers flick ashes straight onto their rugs.

But just as tobacco once spread from Europe to the Ottoman Empire (thanks to "English infidels," wrote one Turkish historian), another curse has blown eastward from the civilized West: the smoking ban, due to arrive in Asia Minor on July 19.

Can Turks follow in the footsteps of New Yorkers, Parisians, and the entire bar-loving nation of Ireland and abide a smoking ban? According to Elif Dağlı, head of the National Coalition on Tobacco and Health, 22 million Turks smoke in this country of 72 million, spending \$20 billion annually on tobacco. They rack up \$30 billion in health-care costs; 100,000 of them die each year of smoking-related illnesses.

Still, the addicted find deep cultural significance in their drug of choice. New Yorkers worried that a smoking ban would impede American binge drinking, and Parisians fretted that it would vanquish French café society. Istanbulians fear the ban will destroy vital mainstays of the Turkish community—specifically, the *nargile* (water-pipe) cafés and the teahouses.

The first installment of the ban, in effect since May 2008, prohibits smoking only in taxis, malls, offices, and the beloved Bosphorus ferries, with mixed results. Cabdrivers began supplying customers with ashtrays so they could duck behind the seats and smoke out of sight. Aggrieved office workers puffed furtively out their windows.

On July 19, however, every enclosed establishment must ban all tobacco products or face 5,000-lira fines (about \$2,800). This means that *nargile* cafés with no outdoor seating will likely shut down, diminishing a tourist attraction

on par with the Hagia Sofia and the *döner* kebab.

Hundreds of teahouses, suffering from rising utility costs and the myriad effects of the global financial meltdown, have already closed in the past few months. Family-first and feminist types aren't fond of these men-only sanctuaries, where the retired and unemployed while away their days playing backgammon, talking politics, and smoking cigarettes. But in this enormous, bewildering city, the approximately 15,000 teahouses serve as, among other things, "a university without professors," according to Ahmet Turan Doğan, the chairman of Istanbul's Chamber of Public Teahouses and Non-Alcoholic Halls. Surrounded by four portraits of Atatürk and two *nargiles*, Doğan, who hates smoking, doesn't believe that the teahouse men will adjust to the new rules. "Of course we know what will happen to the teahouses," he said ominously.

The Çorlulu Ali Paşa Medresesi, in Istanbul's old city, is a 300-year-old former madrasa now home to rug dealers

and *nargile* cafés. On a Thursday evening in February, men and women—tourists, students, and middle-aged residents—enjoyed the elegant charms of the *nargile* along with their tiny cups of tea. The place was crowded and smoky. It seemed inconceivable that an all-out tobacco ban would strike in just five months.

Faruk Taş, the manager of Ali Paşa Nargile, dragged on a steady supply of Marlboro Reds. "Where are these people going to smoke?" he said. "I can understand banning cigarettes, but this is a water-pipe garden. This is in our culture."

He motioned to a friend who'd entered his shop. "Ask him what he thinks about it."

"Do you think the smoking ban will work in Turkey?"

"Of course," replied the visitor, rather dismissively. Then he sat down and lit a cigarette. ■

Suzy Hansen is a writer living in Istanbul and a fellow with the Institute of Current World Affairs.



Smoke 'em if you got 'em—at least until July 19.



FOOD

Graze Locally

SHOPPERS ARE FINDING MORE WAYS TO BUY HUMANELY RAISED MEAT FROM CLOSE-TO-HOME FARMS.

By Corby Kummer

FIRST IT WAS vegetables, and now it's meat: products we should buy only when they're raised locally by people we know. It's hard—okay, it's really hard—to live just on vegetables and fruit that grow in season near you. Luckily, though, finding local meat, and year-round, is getting easier. Farmers' markets increasingly feature coolers filled with sturdily shrink-wrapped cuts of meat and homemade sausages. Community-supported agriculture groups (CSAs) are forming just to deliver subscribers boxes of meat. Food stores that specialize in local produce—to my lazy, non-gardening mind the best result so far of the locavore movement—are branching into butchering.

Lamb offers several advantages to the budding locavore. Sheep are easier to raise and require less pasture than cattle, so aside from poultry and pork, lamb is the local meat you're likeliest to find from small farms. Unlike cattle, sheep are seldom raised only on grain, which can damage the digestive systems of ruminants, so you can worry less about their health and think more about the grass they foraged on. (I'm eager to taste the lamb now being raised on the salty grass of Martha's Vineyard, which promises to be America's answer

to the *pre-salé*, or "pre-salted" lamb of the salt marshes of Brittany.)

Lamb is synonymous with spring, and it is the meat to serve at Easter and Passover, usually as some sort of roast—leg for Easter, rack or stuffed shoulder for Passover (the leg isn't kosher, unless specially butchered to remove the sciatic nerve). But both those holidays fall before spring lamb is actually available in most places, in May and June. So now is a good time to look for it. And lean spring lamb, naturally lower in fat than the big animals that provide meaty chops, has less of the marbling that accounts for the "lamby" flavor many people find objectionable.

Buying local lamb also sidesteps the meat version of the organic-versus-local battle. Vegetables (or milk or coffee) that are certified organic say nothing about whether workers are humanely treated or fairly paid, and as demand for cheap organic food rises and big farms muscle in, the label can hide ugly truths. In the confusing way of these things, meat "Certified Humane" often signifies origin on one of the large industrial farms that helped write the rules and fund the program, Nicolette Hahn Niman. Writes in her new *Righteous Porkchop*. (Don't be put off by the title. The author, a vegetarian environmental lawyer, pokes

fun at "self-righteous" vegans—like, say, her former boyfriend—who search out weird soy-based meat replicas. She finds love with the rancher Bill Niman, the pioneer of humanely raised and good-tasting meat.) The certification to look for, she says, is that of the Animal Welfare Institute, which is based on new models and favors small farms. For now it's hard to find, as the labeling program is in its early stages. Fortunately, the question for lamb is practically moot because most U.S. sheep are raised on relatively small farms. (I'm leaving out the "food miles" battle—but it's heated, especially when anyone mentions grass, New Zealand, and airplane fuel.)

The surest way to be confident about humane treatment is to get to know a farmer or local butcher, not read a label. Bill Niman says that unless a restaurant can tell him just where its meat comes from he won't order it, and some chefs, when they dine out, won't either. But chefs can't always afford to buy local meat for their restaurants, because small farmers can't always afford to sell it at wholesale prices. In a model other chefs should look to, the local-minded Boston chefs Michael Leviton and Tony Maws are talking about sharing the expenses of a van and driver to pick up meat and vegetables at slaughterhouses and farms: the savings would allow them to pay farmers retail prices.

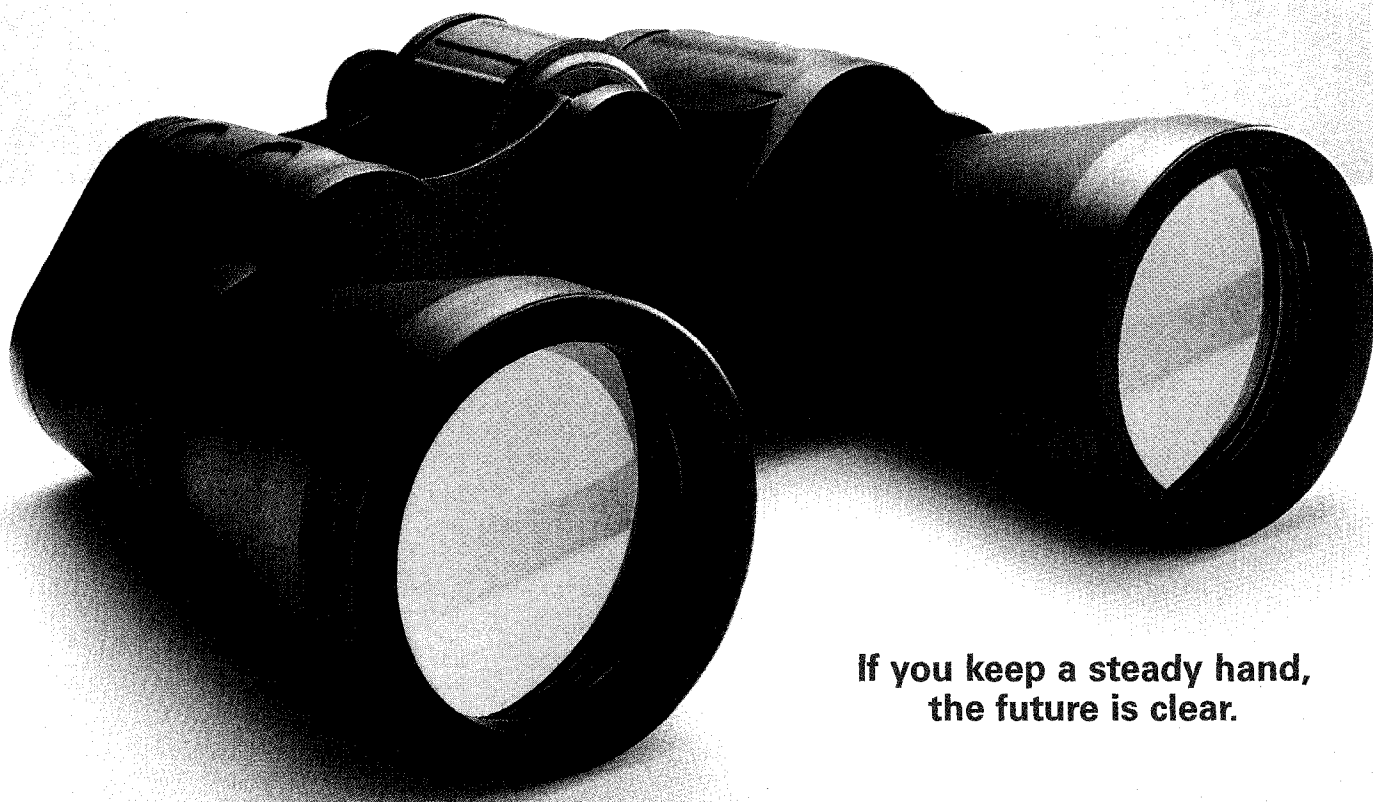
Chefs typically prefer the cheaper cuts, anyway—they're more fun to cook. Leviton's favorites are shank and shoulder. The shank can be browned and braised like osso buco; Leviton likes braising shoulder in a low and slow oven with preserved lemons, olives, thyme, and hot peppers. You can find his recipe, along with a Greek lamb stew from Aglaia Kremezi, at food.theatlantic.com.

You'll also find a recipe for what Jamey Lionette, owner of Lionette's, a market in Boston that specializes in locally raised meat, says is his secret favorite cut: the neck, tiny and quick to roast—a half hour or so—and better, he says, than crown roast of beef. Any butcher will gladly part with a boned shoulder roast; there are two, after all. You can test his or her true generosity by asking for that one special treat. **A**

Corby Kummer is an Atlantic senior editor and the curator of the food channel on theatlantic.com.

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TRAVEL

Rock Star

FIFTY YEARS AGO, CLIMBERS CONQUERED THE "UNCLIMBABLE" EL CAPITAN; TODAY CLIMBERS AND VISITORS ARE STILL SEDUCED BY YOSEMITE GRANITE.

By Lynn Ferrin

LAST AUTUMN YOSEMITE National Park, in California's Sierra Nevada, was at its gorgeous best. Recent rains had turned on the legendary waterfalls; the oaks were yellowing. Thousands of visitors were there to hike and bike and admire the play of water over granite, or just gaze at the bald pate of Half Dome.

I had come to celebrate a milestone in climbing history: the 50th anniversary of the first ascent of El Capitan, that 3,000-foot granite cliff that shines like silver near the western end of seven-mile-long Yosemite Valley. It is probably the largest granite cliff face on Earth, sheared and polished by glaciers, and pretty much straight up—and oh God down—except for assorted cracks and narrow ledges.

In the late 1950s, Yosemite was already renowned for the world's best rock climbing, with its hard, high, approachable granite. El Cap was considered unclimbable, but a mountaineer named Warren Harding was determined to do it. He assembled a team and chose a route called "the Nose," on the prow of the massive cliff. With astonishing grit, the team spent 47 days over 16 months setting up their route with bolts, ropes, hardware, food, and camping gear. More than a dozen climbers and summit-support people were involved.

On November 12, 1958, three climbers, Harding, George Whitmore, and Wayne Merry, scrambled onto the summit. The final bottom-to-top push had taken them 12 days. This was in a time when there were no energy bars, no fleece. Climbing gear was

rudimentary—some pitons were hammered out of stove legs. Merry carried his water in a large paint-thinner can, "and it tasted like hell."

So this is how far climbing—and equipment—has come: last October 12, Hans Florine and Yuji Hirayama did the ascent in two hours, 37 minutes, and five seconds.

For a couple of days last November, seven members of the 1957–58 team (though not Harding, who died in 2002) showed up in Yosemite. They're now in their 70s and 80s, still strong and slender, some of them still climbing. They gathered with hundreds of other mountaineers to celebrate in the Yosemite Valley visitor center. Many of them had carried their youthful passion for climbing into their professional lives, founding outdoor-equipment and adventure-travel companies. I joined them, because Yosemite climbing had also played a part in my life and career.

Wayne Merry returned to Yosemite a decade after that first ascent and started the Yosemite Mountaineering School. A course in basic rock climbing was \$12 (today it costs \$117). Soon after the school opened, I signed up and learned how to belay and rappel, and about the play of rock climbing on the senses: the clink of the hammer on a piton, the warmth of the sunlit granite under my hand, the radiant clouds sailing overhead. I learned not to look down much.

All around was the beauty of Yosemite, those waterfalls crashing down the massive walls into the wildflowers, the mists sifting through the granite spires, the river pooling up in the meadows to capture reflections of

WAYNE MERRY

sunrise and moonlight on the soaring cliffs.

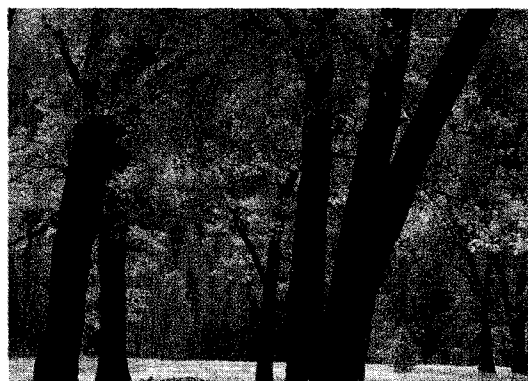
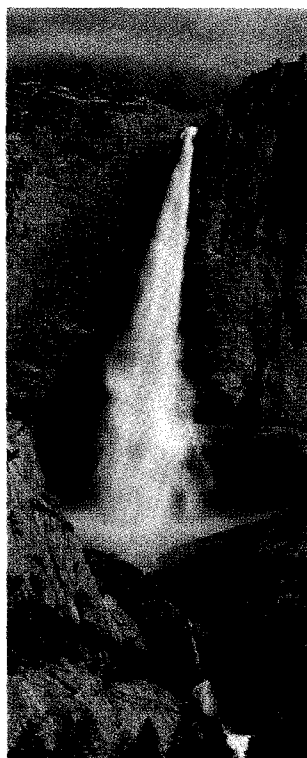
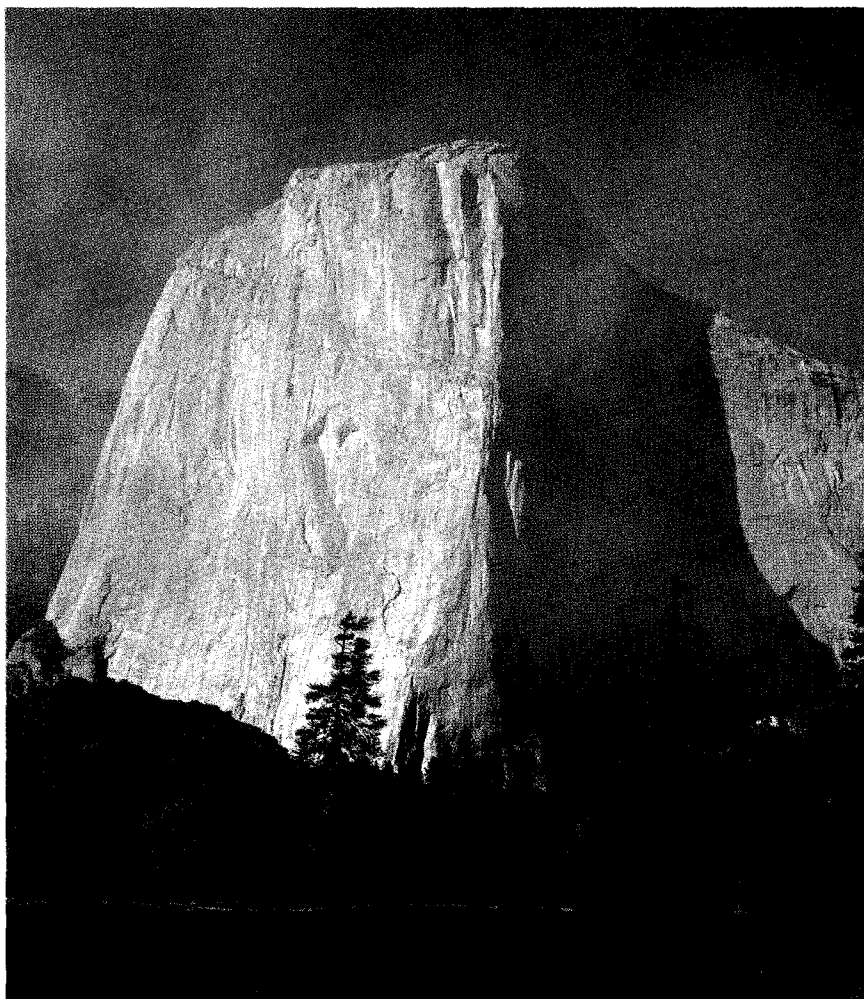
Back then, many of the climbers lived hand to mouth, squatting in tents at Camp Four all summer long, climbing by day, gulping jug wines by night. I dipped into their world on weekends, and a few of the nicer ones took me along on fairly easy technical climbs—in those days very few women were climbing. I began to write about my experiences, and found a niche in adventure-travel writing.

Today, climbers are still squatting at Camp Four, with their modern high-tech gear and sticky shoes, still practicing on the church-size boulders strewn around the campground—and hanging out at the Mountain Room Bar in the evenings. (The conversation can give *one-upping* a whole new meaning.) The Park Service estimates that there are some 25,000 to 50,000 “climber days” in the park each year—despite the all-too-real dangers of heatstroke, falling rocks, lightning, and freezing rain.

Nowadays my trips mostly include joining the park’s 3.5 million annual visitors just doing the usual things: sightseeing, struggling up the steep waterfall trails (Yosemite Falls, Vernal Fall, Nevada Fall), attending ranger programs, tracking the snowbound wilderness on cross-country skis. If the full moon is bright, I stroll over to the base of Yosemite Falls and look into the mist for the shimmering, opalescent “moonbow.” When I want to live it up, I go for a meal at the Ahwahnee, in probably the country’s grandest hotel dining room, which opened in 1927, with its columns of polished sugar pine and lofty windows looking out on the forests and meadows.

I relish the frisson when I drive into Yosemite Valley and the view unfolds: El Cap, Half Dome, Bridalveil Fall. I often pause to gaze at El Capitan. Awed tourists are usually hanging out in the meadows, staring up with binoculars or spotting scopes, watching a few climbers crawl up the daunting face like spiders up a wall. And I think about how a single experience—in my case, a rock-climbing lesson—in one national park can make the place your own, and may even change your life. ▀

Lynn Ferrin is a freelance writer based in San Francisco.



Left: Warren Harding leads the “Great Roof pitch,” on the first ascent of El Capitan, in 1958; above: El Cap, the valley floor, the high country, and Yosemite Falls today.

CLUCKWISE FROM TOP: BUDDY MAYS/CORBIS; DARRELL GULIN/CORBIS; JOSEPH H. BAILEY/NATIONAL GEOGRAPHIC STOCK; JOSEPH SOHN/VISIONS OF AMERICA/CORBIS



TECHNOLOGY

Without a Trace

TRACKMENOT LETS YOU DISGUISE YOUR INTERNET SEARCHES—SOMETIMES AT SOCIETY'S EXPENSE.

By Yudhijit Bhattacharjee

WE ARE WHAT we search. If you want to know our curiosities, obsessions, anxieties, and desires, just look at our Internet queries. Companies like Google and Yahoo can already sniff through our digital spoor to personalize advertisements and search results. But the possibility that search data may be used for more sinister purposes, like surveillance by government agencies, makes a lot of people nervous.

Concerns over search privacy have intensified since the news in 2006 that the U.S. Department of Justice had strong-armed Yahoo, MSN, and AOL into turning over some of their search records to help the government defend an online-pornography law. One sign of public angst is the popularity of TrackMeNot, a bit of software that generates a stream of fake queries to mask a user's true search behavior. Developed by Daniel Howe and Helen Nissenbaum of New York University, TMN has been downloaded half a million times since it first came into use in August 2006.

Other privacy shields are also available for free on the Web. One popular variant, Tor, hides your IP address by routing communications from your computer through proxy nodes. But proxy-based programs like Tor can slow down your surfing and make accessing certain sites harder, as well as leave open the possibility that user data will be intercepted. "We wanted to create software that would empower the user while minimizing these disadvantages," says Nissenbaum.

The strategy she and Howe chose was to drown out the signal of the user's search profile in a din of background noise. The first version of TMN randomly picked terms from a static list and fed them into four popular search engines, including Google; to mock the idea of Web surveillance, its creators populated the list with sensitive terms like *bomb* and *HIV*. "It freaked people out," Nissenbaum says. "We got e-mails saying, 'I like your idea, but I don't want the FBI to think I am a terrorist.'" In TMN's more recent versions, the obfuscating terms come from a list that combines recent popular searches and

RSS feeds from well-trafficked sites like CNN.com and NYTimes.com. The list evolves over time, uniquely for each user; every once in a while, a randomly selected term is replaced with a new one chosen from the results of a fake search involving that term. And users can tailor the noise by selecting any RSS feed from across the Web as their source for fake terms—an ironic bit of personalizing, given the software's intent.

But while search privacy may be desirable to users, is it a good thing for society? After all, monitoring searches and responsibly mining search logs can further the common good. For example, epidemiologists use Google search data to track the spread of influenza. Google and other companies also claim that records of searches help them improve their search engines and prevent click fraud—the nefarious and sometimes automated clicking of links by those seeking to drive up their advertising revenue.

In fact, some searches could be viewed as a form of dialogue between citizens and their government. Why shouldn't what constituents are exploring online be the government's business in a healthy democracy? A spike in searches on "student loans" in New Orleans, for example, could help education officials decide whether to expand local college-aid programs.

TMN's creators say such uses would be more palatable if search companies committed to a responsible standard for anonymizing, storing, and purging search data. That includes giving users the option of wiping out all trace of their searches, as Ask.com has done by launching its Eraser feature. Howe says the pressure from privacy advocates is bearing fruit. In September, Google announced that it would anonymize IP addresses stored in search logs after nine months instead of the previous 18-month time frame. "TrackMeNot is a mechanism that allows individuals to say that we are not going to just accept all the conditions imposed by larger actors in the online environment," Nissenbaum says. "However, the world toward which TrackMeNot strives is one in which it is no longer necessary." ■

Yudhijit Bhattacharjee is a writer at Science magazine.

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The Gift-Card Economy

For some people, spending just doesn't come naturally—especially in a recession. Behavioral economists have a solution.

By Virginia Postrel

MOTHER'S DAY IS coming up. Which do you think Mom would enjoy more—a day-spa gift certificate that expires at the end of June, or an otherwise identical gift certificate that expires a year from now?

The answer is obvious. Longer is better, of course. Mom will have a higher chance of making it to the spa if she has a whole year to find a convenient time.

Perfectly logical—and probably wrong. Mom might actually be happier with a shorter-lived gift card, new social-science research suggests,

because she'd be more likely to use it. Paradoxically, people don't put off only unpleasant tasks like doing taxes or cleaning out the garage. They also procrastinate on enjoyable experiences like going to the spa. Tight deadlines can force people not only to get work done (or to make that Mother's Day phone call) but to have fun as well.

"While individuals given a longer time frame are more positive about and expect to be more likely to complete an enjoyable task, they are actually less likely to do so," the behavioral economists Suzanne B. Shu and Ayelet

Gneezy write in an article under review at the *Journal of Marketing Research*.

Their research belongs to a relatively new application of behavioral economics: looking at situations in which people seem to exercise too much self-control, rather than too little. In an economic environment where shopping seems like a sin, this research provides clues that could help businesses attract customers. It even suggests that some of the manipulations designed to lure our dollars may rebound to our own good.

Behavioral economists, whose work combines the techniques and ideas of

PETER ARKLE

economics and psychology, have long focused on what Thomas Schelling, the 2005 Nobel laureate, called the “intimate contest for self-command”—the all-too-familiar inner conflict between the would-be disciplined self who wants to get up early, exercise, and lose weight and the pleasure-seeking self who prefers to sleep in, watch TV, and eat chocolate. These two selves, Schelling noted, don’t necessarily exist at the same time. The disciplined self imagines future virtues, while the pleasure-seeking self succumbs to present urges. “If the person could make the final decision about that action at the earlier time, precluding a later change in mind,” Schelling wrote in 1983, “he would make a different choice from what he knows will be his choice on that later occasion.” (See “First Person Plural,” by Paul Bloom, in the November 2008 *Atlantic*.)

To force our future selves to do the right thing, we look for ways to commit to that behavior in advance—by putting the alarm clock on the other side of the bedroom, making an appointment with a personal trainer, or throwing out the leftover Halloween candy. As the economy turned down, more than half of the female shoppers (and nearly half of all the shoppers) surveyed by WSL Strategic Retail said they’d begun to avoid even entering stores where they might be tempted to overspend. (A third of all the female shoppers, however, said they’re staying home so much they “feel like a hermit.”)

These “precommitment strategies” include behavioral economists’ most prominent success story, the savings plan called Save More Tomorrow. Developed by Richard H. Thaler of the University of Chicago and Shlomo Benartzi of UCLA, and adopted by many employers, the plan encourages employees to save for retirement by getting them to pledge to have part of their future raises automatically put in a retirement account.

The intimate contest for self-command can apply to pleasures as well, and for similar reasons. In the here and now, we want to behave one way in the future, only to change our minds as that future nears and the immediate costs of our plans become more real. Yet, looking back from the still-farther future, we wish we’d indulged—just as,

looking back on our lazy morning in bed, we wish we’d gotten up and worked. If our future self and our past self could gang up on our present self, we’d behave differently.

Take those gift-certificate deadlines. In an experiment, Shu and Gneezy first surveyed 80 undergraduates, asking how they would feel about a gift certificate for a slice of cake and a beverage at a local café and how likely they were to use it. Forty-two survey participants were asked to consider a certificate good for three weeks, and 38 were asked about a two-month certificate. More than two-thirds of the group with the longer deadline said they would use such a coupon; only half of the group with the shorter deadline said they would.

Shu and Gneezy then ran the experiment in real life, with a different group of 64 undergraduates. Half the participants got certificates good for three weeks and half for two months. Both groups were far less likely to cash in their cake coupons than predicted. And contrary to predictions, the shorter deadline encouraged more indulgence. Ten out of 32 people redeemed the three-week certificate; only two of 32 used the two-month pass. Those who redeemed their certificates said they’d enjoyed themselves, while those who didn’t said they regretted letting the deadline slip. They gave reasons like “I was too busy and ran out of time” or “I kept thinking I could do it later.” The pressure of a shorter deadline encouraged people to stop procrastinating and enjoy themselves.

Similarly, Shu and Gneezy found in surveys (as we all know from our own experiences) that tourists with limited time are more likely to visit local attractions than are residents, who presumably can go whenever they want. In fact, residents tend to make their tourist-like visits when they have out-of-town guests or when they’re about to move away. With no immediate reason to hit

nearby landmarks, locals put off for tomorrow what they might enjoy today.

“What I think is happening,” Shu told me, “is that when people think about the future, they’re very focused on the gains and the positive outcomes. The benefits are really appealing when they’re far off in the future, and people just don’t see the costs at all. Whereas if it’s tomorrow, the benefits are similar but the costs are *huge* and in their face.” A Saturday at the museum sounds great until you have to leave your errands undone and find a place to park. You wind up sticking to your routine, even though you’d be happier breaking it.

Ran Kivetz, a marketing professor at the Columbia Graduate School of Business, calls this pattern “hyperopia,” in contrast to the “myopia” that behavioral economists traditionally investigate. Myopia includes shortsighted behaviors like overeating or failing to save for retirement; hyperopia entails,

as Kivetz put it in the *Journal of Consumer Research*, “excessive farsightedness and future-biased preferences, consistently delaying pleasure and overweighing necessity and virtue in local decisions.” Hyperopic people weight imagined future benefits so heavily that they don’t enjoy themselves today and later regret hoarding their time or money. Just as deadlines and precommitment can fight the inertia of myopia,

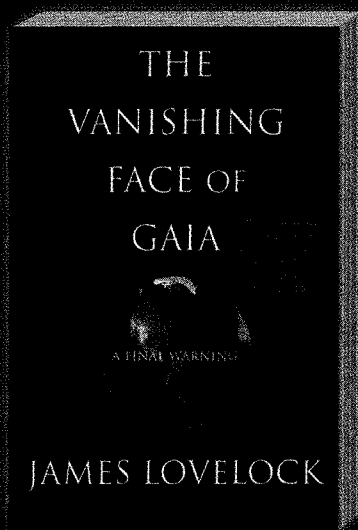
they can also help beat hyperopia.

For instance, Kivetz and Itamar Simonson, of the Stanford Graduate School of Business, asked people to select prizes for a lottery to be held later. Although most preferred cash, the farther in the future the lottery was, the more likely the participants were to choose a luxury prize like a massage over cash, thereby committing themselves to enjoyment over practicality. But to overcome hyperopia and deliver that enjoyment, the commitment had to be binding. In another lottery experiment, a winner who had selected a \$200 gift certificate to a gourmet restaurant “later

Luxury retailers have long had to figure out how to overcome customers’ natural inertia. Unlike less pricey stores, they tend not to attract idle browsers who make impulse purchases.

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reversed her choice indicating that 'the \$200 check plain and simple would be GREAT!' In the present, the lost cash loomed larger than the lost night out.

To lure customers, Shu says businesses need to provide "a justification and a deadline," citing Disneyland as an example. The park promotes a visit as "a special occasion" for creating lasting memories—exactly the sort of experience that Kivetz's work suggests people value in retrospect—and it also gives visitors a free pass on their birthday. "They've convinced people to take advantage of that special occasion, and bring other people along," notes Shu.

Like Disneyland, luxury retailers have long had to figure out how to overcome customers' natural inertia. Unlike less pricey stores, they tend not to attract idle browsers who make impulse purchases. "You may only see customers a couple of times a season," says Michael Calman, a luxury-retailing consultant and former senior vice president for marketing at Bergdorf Goodman. "You're looking for ways to increase that visit rate."

Special events, such as charity benefits or trunk shows, are time-honored ways for high-end stores to give customers justifications and deadlines. Another technique, which could be adapted by other businesses, is a short-term promotion in which customers earn quickly expiring gift cards. For every \$500 spent, a customer might get a \$50 gift card good for a two-week window starting a week later. Alternatively, customers who regularly buy clothes but not accessories might be offered gift cards good only for purses or shoes, or buyers in the women's department might get cards for the men's department. Two local businesses could even cooperate by, for instance, offering restaurant diners a \$10 gift card at a wine store for every \$100 they spend on meals.

The deadlines get shoppers into stores, the tiered promotions encourage them to stretch their spending a bit, and the incentive system provides

a justification. Calman, who pioneered this program at Bergdorf's, says, "The customer feels that through shopping this type of promotion, they have actually earned the gift card." With the card's use-it-or-lose-it deadline fast approaching, customers tend to come back quickly.

During the stimulus debate, some economists, including Edward Leamer of UCLA, suggested that quickly expiring gift cards might boost the economy more effectively than temporary tax cuts, which people tend to put toward savings. Although you could use a government-issued gift card for groceries you'd buy anyway and bank the savings, people tend to treat gift cards differently. When you get a gift card, Leamer noted, you not only tend to spend it on something you wouldn't otherwise

buy, but often wind up spending a bit extra—the perfect prescription for Keynesian stimulus.

Whether designed to boost a sagging economy or just generate sales, these promotions naturally raise the question of whether consumers should succumb to such lures. Which is the real you: the present self who wants to stay in bed rather than exercise and who runs errands

instead of visiting a museum, or the future you who wants to be fit and have happy memories? The you who avoids temptation by staying out of the mall, or the you who wishes you hadn't been such a hermit?

They are both real, of course. The intimate contest for self-command never ends, and lifetime happiness requires finding the right balance between present impulses and future well-being. We know we need bosses and deadlines to help us get work done. But sometimes we can also use an external push to make us have a good time. In both cases, our future self will appreciate the help. ■

Virginia Postrel is an Atlantic contributing editor and the editor in chief of *deephglamour.net*. She is writing a book about glamour.

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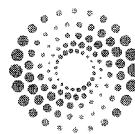


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The Sorcerer

How pop culture fell under a comic-book writer's strange spell

By James Parker

WHEN TIME TRAVEL has reached the mass-transit stage, and we're all trundling in bored herds up and down the escalators of history, it will be a banality verging on bad manners to complain of "chrono-lag." By then, you see, *everyone* will have it—the fourth-dimensional halo around the vision, the rumor of the dead in one's ears, and so on.

For the moment, though, sensations like these remain the preserve of the artist. Indeed, a susceptibility to being steeped in time, as a long-haul flier is steeped in distance, can give a writer a serious creative edge: Kurt Vonnegut's *Slaughterhouse-Five* was born of it, as were most of the novels of Philip K. Dick. "Time is the substance of which I am made," wrote Jorge Luis Borges,

whose stories seemed to issue from the lucid core of a particularly nasty intertemporal hangover.

He could just as well have been writing about Alan Moore, latest and most wizardly (more on this later) of the literary time-tamperers, whose shadow over pop culture is currently longer than those of Vonnegut, Dick, and Borges combined. The recent film adaptation

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of *Watchmen*, an '80s comic-book series with the top-to-bottom social sweep of a 19th-century novel, is the fourth movie in a decade to be based on Moore's work. The previous three were *From Hell*, *The League of Extraordinary Gentlemen*, and *V for Vendetta*; Moore also invented the character on whom 2005's *Constantine* was based, and his nightmarish take on the Joker, in the 1988 Batman comic book *The Killing Joke*, was cited by Heath Ledger as a model for the performance he gave in *The Dark Knight*. Moore is still short of Dick's record—nine movies and counting—but he's made a healthy start; his output is comparably voluminous, and unlike Dick (who died in 1982, just before the release of *Blade Runner*), he's still in his prime.

Moore is a comics writer. He doesn't draw the pictures, in other words, although the hallucinatory specificity of his scripts is proverbial in the comics industry: for the very first panel of *Watchmen*, his directions to the artist, Dave Gibbons, run to almost 700 words. ("Liquid fingers of blood, thick and scarlet, dribble down the wall of the curb ... garish streaks of brilliant red against the muted concrete-gray of the stone ...") If part of the enterprise of comics writers over the past 30 years has been to reclaim and reinterpret an earlier, apparently exhausted symbolic world, then Moore has been the high priest of this postmodern ritual. Much of the action in his writing takes place on a sort of pop-cultural astral plane, a zippy mythic simultaneity where robots and white witches team up against Nazi scientists (*Top 10: The Forty-Niners*), H. Rider Haggard's Allan Quatermain battles Conan Doyle's Moriarty (*The League of Extraordinary Gentlemen*), and Jack the Ripper takes tea with the Elephant Man (*From Hell*). Collage, pastiche, intertextuality—the arsenal of postmodernism, deployed instinctively—are merely the means by which Moore gains access to this dream layer.

He was born in 1953 in Northampton, in Britain's Midlands—the part of the world that produced John Bunyan as well as Black Sabbath. His 1996 novel, *Voice of the Fire*, drills upward through the imaginative strata of the region like a heavy-metal *Puck of Pook's Hill*, beginning in 4000 B.C. in the lumpy, embryonic language of a neolithic boy—

"By tree-line stop and set we down on stump"—and ending, via alchemists and crusaders, with the author himself in his Northampton living room, in 1995, groping for his remote amid "the permanent frost of magazine and empty teacup." The operation of the book puts Moore squarely in the midst of place-obsessed, history-haunted writers such as the novelist and biographer Peter Ackroyd, the veteran fabulist Michael Moorcock, and the "psycho-geographer" Iain Sinclair: what might be defined as the contrary tendency in present-day English letters to the Amis/Hitchens/McEwan rationalist headlock. At the wellspring of inspiration, for this more mystical set, is William Blake—"the voice of our Right Brain, the mind's Atlantis," as he is hailed in *From Hell*—whose blazing self-published proto-comics full of interdimensional warfare and fantastic musculature were, of course, completely ignored in his lifetime. Ackroyd wrote a fine Blake biography that was published in 1995; Moore has done performance pieces and recorded a CD in Blake's honor. In the graphic novel *The Invisibles*, by Moore's contemporary Grant Morrison, Blake's Urizen emerges gray-faced from the River Thames, like Poseidon after a heavy night.

Moore and his crew are dowsers, scryers, remote viewers, rambling around inside the occult power grid supposedly delineated by the six London churches of architect Nicholas Hawksmoor. They meet not at publishers' luncheons but on psychic tangents. Jerry Cornelius, the Byronic time-hopper created by Moorcock, makes a cameo in Moore's *The League of Extraordinary Gentlemen*; in Sinclair's 2005 travelogue *Edge of the Orison*, a pilgrimage in the traces of 19th-century peasant poet John Clare, Moore himself briefly appears as a guide, "curtain of hair tossed back, snakehead stick brandished."

This might be a good moment to mention that Moore is also a practicing magician—which is to say, he performs

rituals, and summons entities. "The first experience I had," he told *Arthur* magazine in 2003,

and this is very difficult to describe, but it felt to me as if me and a very close friend of mine, were both taken on this ride by a specific entity. The entity seemed to me, and to my friend, to be... [sighs] ... to be this second-century Roman snake god called Glycon.

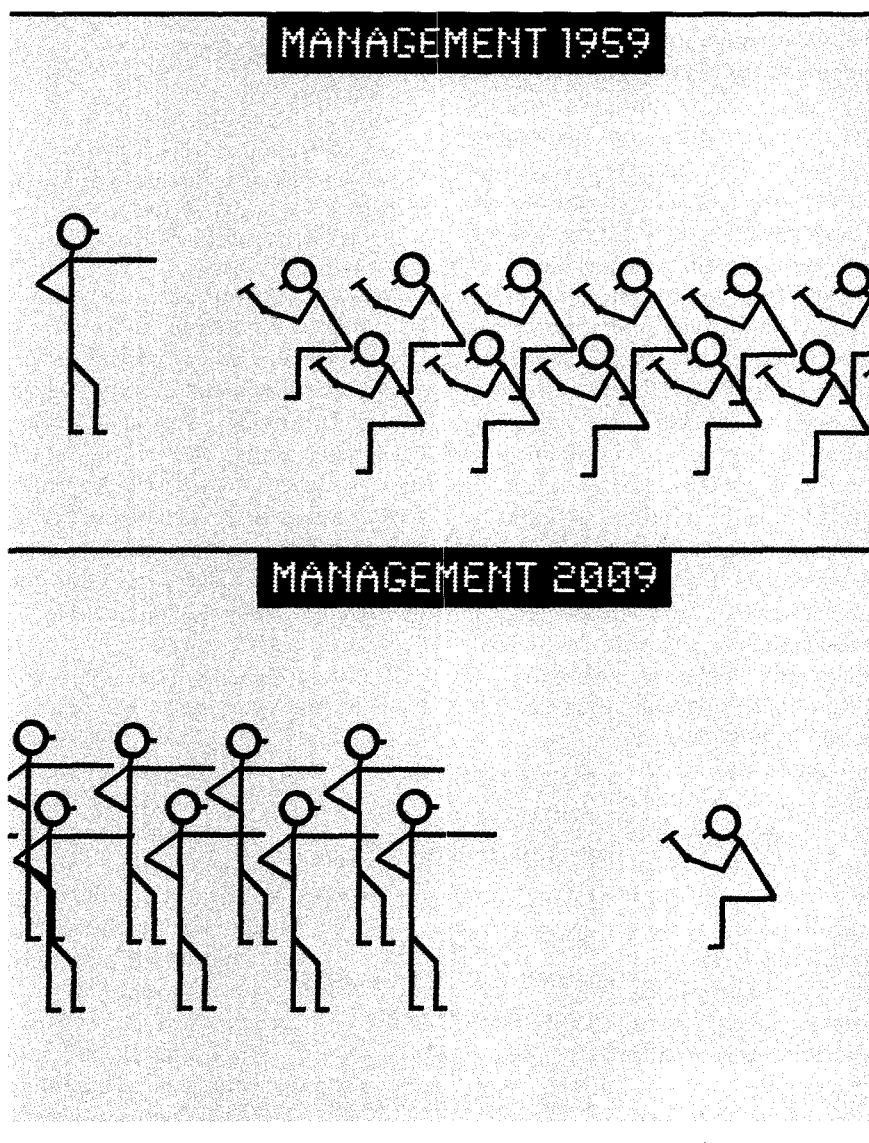
Moore's magicking has entered his writing most didactically in the comic *Promethea*: Book Four of the series gives readers a guided tour of the kabbalistic Tree of Life, roosting in whose branches we find 20th-century magi such as Aleister Crowley (in drag) and the late artist Austin Osman Spare. The apparent paradox presented here—a droll postmodernist who worships at the altar of Glycon—is, within the world of comics, no paradox at all.

"If you can make a symbol that plants itself in someone's head," said Douglas Wolk, author of *Reading Comics: How Graphic Novels Work and What They Mean*, when I called him in February to talk about all this, "then you're doing magic. Right now, for instance, they're getting ready to make *Iron Man II*, and you could look at *Iron Man*, in that sense, as a spell that was cast 45 years ago that is only now coming to fruition. This is pop culture we're

talking about. Get your idea in front of a whole lot of eyeballs, and congratulations, you've changed the world."

Nothing gets in front of those eyeballs like a big movie, of course, but Moore retains a pagan suspicion of Hollywood, and has refused to so much as look at any of the adaptations of his work. The first two, it's true, he would barely recognize: the Hughes brothers' *From Hell* (2001) made a bloody hash of his multitiered Ripper-ography, while *The League of Extraordinary Gentlemen* (2003) rendered the literary supermen of the graphic novel—Captain Nemo, Quatermain, etc.—as a sort of antiquarian A-Team. *V for Vendetta* (2006) was

Alan Moore's work takes place on a pop-cultural astral plane, where robots and witches battle Nazis, and Jack the Ripper takes tea with the Elephant Man.



getting closer, but missed the original's very English seep of paranoia—a tone, incidentally, that was perfectly caught by the same year's *Children of Men*.

And now we have Zack Snyder's *Watchmen*—as devout and frame-by-frame a reworking as could be imagined. Set in a tweaked version of Nixon's America, in which the 37th president is enjoying his fifth term in office, *Watchmen* features an imminent nuclear showdown with the Soviet Union, a squad of aging and profane superheroes, and a Vietnam War that was won by the U.S. with the help of a naked blue radioactive man.

This last personage, who goes by the name of Dr. Manhattan (and who's played rather beautifully by Billy

Crudup in the movie), is the time bomb at the heart of the book. His genesis is poignant. As a harmless physicist named Jon Osterman, he gets himself disembodied in an incident with some particle cannons: a terrible radiance consumes him. His consciousness, however, survives, and in some private air pocket of time he remodels his physical being, manifesting finally as a hairless and phosphorescent semi-deity in robin's-egg blue. His awesome telekinetic powers—blowing up tanks, building nuclear reactors in midair—are almost incidental to his bewildering metaphysical insights. Dr. Manhattan sees the past and the future with equal clarity, and is only a little wobbly on the day-to-day. His presence in the story,

never quite accommodated, seems in some magnetic way to determine the structure of Moore's *Watchmen*, with its use—unprecedented in comics at the time—of flashbacks and symmetries and sudden expansions into mental space.

"Time is *simultaneous*," he explains in the comic to his girlfriend, Laurie, "an intricately structured *jewel* that humans insist on viewing one edge at a *time*, when the whole design is visible in every *facet*." This is scarcely the language of romance, and in fact Manhattan is drifting away from human attachment: one panel of the comic, replicated faithfully in Snyder's movie, has him sitting on the edge of a freshly rumpled bed, examining Laurie's discarded bra with a frown of celestial skepticism. (At the screening I attended, this got a big laugh.)

Snyder's *Watchmen* labors a little under the burden of its fidelity to the original. The dialogue, some of it imported verbatim, tends to lie flat on top of the action as if penciled there. And the narrative switchbacks, matching those in the comic, are head-spinning; as the credits roll, a sense of nonplussment disperses itself through the theater like an odor, a feeling of "What the *%\$ was that?" But this may also be the film's triumph—its successful retention of the psyops flavor of Moore's work, the dim sense that we are being addressed, strategically, at a level somewhere below the threshold of reason. In the movie's compacted temporal layers, and in the lodestone strangeness of Dr. Manhattan (who for weeks loomed off billboards across America), Moore's magic seems to be doing its thing. It's art, after all.

Not that he'll endorse or acknowledge it. Moore keeps his distance, stays in Northampton, grooms his allure (and his beard). Let Hollywood pursue its ends: an influence like his is properly measured not in box-office takings but in auras and offstage thumps. He's the spook at the séance, the ectoplasmic blur in the old photo. Try to pin him down and in his place you'll find nothing but a perturbation in the air—the after-throb, with twittering lights, of a just-departed old-school time machine. ■

James Parker is an Atlantic correspondent.

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WORRIED AND CONFUSED, his 401(k) in shambles and his broker curiously (or not so curiously) absent, our correspondent sought advice from the masters of Wall Street (and from one mouse-eating survivalist) on how to escape financial paralysis. Here's what he learned: that he should buy gold; that he should not buy gold; that he should panic; that he should not panic; that brokers are not his friends; that the system is rigged against the nonexpert nonrich person; that the mouse-eating survivalist made more sense than everyone else; and that, in the end, he's really not cut out for investing. Which is how he finally escaped financial paralysis.

WHAT NOW?

By Jeffrey Goldberg

FOR MOST OF our adult lives, my wife and I have behaved in the way responsible cogs of capitalism are supposed to behave—we invested in a carefully calibrated mix of equities and bonds; we bought and held; we didn't overextend on real estate; we put the maximum in our 401(k) accounts; we gave to charity; and we saved, but we also spent: mainly on gasoline, food, and magazines. In retrospect, we didn't have the proper appreciation for risk, but who did? We were children of the bull market. Even at its top, my investment portfolio was never anything to write home about. Its saving grace was that it was mine. And I imagined that when we did cash out, at 60 or 65, I would pass my time buying my wife semisubstantial pieces of jewelry and going bass fishing like the men in Flomax commercials.

Well, goodbye to all that. I took a random walk down Wall Street and got hit by a bus.

How am I sure it's goodbye? The signs are rampant, but one has become stuck in my mind: a video of Richard Bernstein, the chief investment strategist for Merrill Lynch (sorry, I mean the Merrill Lynch division of Bank of America, which, by the time you read this, may be the Bank of America division of the United

States Government), advising Merrill clients such as myself that one of the best financial strategies to adopt now would be to extend my "investment time horizon."

"If one were to trade the S&P 500 for one day, the probability of losing money is about 46 percent," Bernstein states. "However, as one extends that time horizon from one day to one month to one quarter to one year to 10 years, the probability of losing money decreases as the time horizon lengthens."

To which I would add this observation from Keynes: "In the long run, we are all dead."

This is what I heard Bernstein say: give up. You're not going to make money on your investments in the next 10 years, or 15, or 20, so you should stop worrying about your portfolio and go to the movies like everyone else.

I called Bernstein and asked him if he was, in fact, advocating a form of Stoicism. He said I was misinterpreting his views. "This is not some sort of psychological compensation device. What I'm saying is that in looking for investment ideas, we should be looking over a five-, six-, seven-year time period. You have to give an investment strategy time to reach gestation."

But my investment strategy gestated for 15 years. And then it died.

As I write this, the markets are back down to 1997 levels. In Japan, they've sunk to 1983 levels. I pointed out to Bernstein that 1983 was 26 years ago. The investor who bought Japanese equities in 1983 and held on to them has stayed absolutely flat. "That's not correct," Bernstein said. "That doesn't take into account dividend payments."

Even with all those munificent dividend payments, my net worth has dropped by a third, and new vistas of worry open up for me each day.

I'm not complaining, by the way, and not only because I have no right to complain. I make more money than most Americans. I will ungrudgingly pay more taxes if it means keeping people in their homes—even the schmucks in overleveraged McMansions. My wife and I are lucky. We have substantial equity in a small but perfectly nice house in Washington, D.C., a city that is now, among other things, America's financial-services capital, which should help keep real-estate prices steady. I have a late-model minivan. Most important, I have a job (and in the thriving magazine industry, no less!). If I lose my job, then I'll complain (at which point, of course, I'll no longer have a public venue for my complaints). But for now, no whining: just confusion and bemusement and fear, along with an uncharacteristic sense of paralysis. In the past six months, I've bought and sold virtually no equities. And I rarely take the pulse of my 401(k).

I called a psychologist to find out what could explain this weird passivity. Daniel Kahneman is a Nobel Prize-winning innovator in the field of behavioral economics. He explained that my feelings of paralysis were to be expected.

"You no longer know the world you live in," he said. "You played by the rules, the rules benefited you. The world functioned according to some regularities. Right now, it's unclear what rules apply. There is a new regime. What seemed

prudent earlier has disappeared. I'm surprised Americans aren't more panicked. Americans seem to accept a level of insecurity in their lives that Europeans wouldn't tolerate. Paralysis is one response to this level of insecurity."

This might explain why my wife and I have taken no action to fix our finances. Although it's also the case that we haven't heard from our Merrill broker in nine months. The last time he called was well before the day in September when the government encouraged the shotgun sale of Merrill to Bank of America, to keep Merrill from collapsing.

I should have seen the signs of dysfunction much earlier. It was more than a decade ago that our first Merrill Lynch

adviser put us in a company called Boston Chicken. A Merrill analyst described it as "the restaurant concept of the '90s." It went bankrupt in 1998. Only later did I learn that Merrill had underwritten the initial public offering for Boston Chicken stock, and so had an interest in selling the company to its customers. There were other brilliant pieces of advice—long-term "buy and hold" recommendations that emerged from the Merrill analysis fac-

tory: Qualcomm; Sun Microsystems; Nokia; and Citibank, of course, which has recently dipped as low as a dollar a share. The full-service trading fees at Merrill—\$80, \$100, \$130, for modest chunks of stock—were high, but we were told that we were paying a premium for quality research.

In many cases, we were. Bernstein, the chief strategist, has actually been bearish for much of the past decade. Given his recent disposition toward market pessimism, I asked him why he didn't tell Merrill's clients to dump their equities seven months ago. "I said it as best as I could within reasonable professional standards," he said. "I'm not going to yell 'Sell, sell, sell!' I'm not going to go out and be irresponsible."

I imagine that many of Merrill's clients are now wishing that Bernstein had been more irresponsible. Of course, even if he had said something, my financial adviser might not have relayed the message.

I haven't depended solely on Merrill Lynch for advice. I believed I could find investments for myself. I stayed away from mutual funds because I couldn't figure out who ran them. And I applied Warren Buffett's famous dictum—Don't buy something you don't understand—to my trading, so I bought, in our Merrill Lynch account, such companies as Johnson & Johnson and Procter & Gamble and Illinois Tool Works and Caterpillar, and these have been kind to us, until now. (I also bought the Internet company Ariba, because I heard about it from a guy who heard about it from a guy. It went up to about \$1,000; I didn't sell, of course, and now it's at \$8.) And every so often, I would follow the recommendations of the financial magazines, *SmartMoney* in particular, because for a long while I was an ardent consumer of financial pornography. No more. In the harsh light of recession, I find it hard to believe I listened to a magazine that, in August 2007, recommended American Express at \$63 a share (a "conservative way to make hay from global credit-card growth"), which as I write this is selling for \$13 a share; Wynn Resorts, \$94 then, \$20 now; HSBC, \$93 then, \$25 now; Washington Mutual, \$36 at the time, seized by the government last September—rendering the stock worthless.

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IT TURNS OUT that my crucial mistake was believing that the brokers and wealth managers and cable-television oracles who make up the financial-services industrial complex actually had my best interests at heart. Or so say the extremely smart—and wealthy—people I asked to help me figure a way out of my paralysis. One of these people was Robert Soros, the deputy chairman of the fund started by his father, George. I went to see him at his office, where he spent two hours performing an autopsy on my assumptions.

"You think a brokerage should be a place you go to pay commissions for fair and unbiased advice, right?" he asked.

"Yes," I said.

"It's not. It never has been." He then cited another saying of Buffett's: "‘Wall Street is a place where whatever can be sold will be sold.’ You are the consumer of their dreck. What they can sell to you, they will sell to you."

"But they told us—"

"They lied."

He went on: "You should be disheartened and disappointed. But don't kid yourself. You're a naive capitalist. They were never your advisers. Do not for a moment think that a brokerage firm is your friend."

"So who's my friend?"

"You don't have one. This is the market."

"Okay, that's Merrill Lynch. What about the others?"

"They're not your friends," Soros said patiently.

"What about Chuck Schwab?"

"All brokers move products based on volume and commission," he said.

I had a benevolent, advertising-induced understanding of Schwab. It was the billboards: "I've got a lot less money. And a lot more questions. *Talk to Chuck.*" And: "It's not just money. It's my money. *Talk to Chuck.*"

I thought that perhaps Schwab, a discount broker, might be able to answer the question Soros could not: Why had my full-service financial adviser stopped calling me?

I did what I was told, and called Chuck. His spokesman intercepted the call. I explained that I was trying to understand the role financial advisers play in the life of the small investor, but the spokesman, Greg Gable, said that Chuck would not, in fact, talk.

"We're not going to be able to help you out," he said.

Finally, I went to another highly successful financial adviser, named Larry Gellman, who is an iconoclast and a critic of his industry. He came up with a plausible reason why Merrill did not actually seem to care about my financial future, or the financial future of my children.

"Throughout the late 1990s, investors were firing their brokers and money managers because they didn't own enough tech and Internet stocks, so everybody got loaded up at the tech party right before the cops came," Gellman said. "Most of them were busted and never even got a drink. Some of them got lawyers and came after their brokers. So the brokerage firms all came away saying, 'Never again.'"

"If the head of Merrill Lynch and every other investment firm had their way," he continued, "no individual broker would ever recommend an individual stock or bond to a retail client again. They have essentially gotten out of the brokering-and-advising business and gone all in on the 'wealth management' business. The new model is to gather assets from wealthy people and then place those assets with a whole bunch of managers who will manage different pieces of it in diversified styles so you don't lose it all at once. And by the way, people with less than \$10 million need not apply."

"People like you are in a sort of purgatory because no one would ever come out and tell you that he doesn't want your business anymore," he said. "You had to figure that out by yourself."

There's quite a bit I have to figure out by myself now, which was one reason why, on a cold night in February, I turned up at the apartment of my friend Boaz Weinstein, who was hosting a gathering to talk about charity in a time of financial cataclysm. Weinstein lives in a not-overly-luxurious-but-luxurious-enough building on Fifth Avenue. It is not the sort of building I could ever afford, but I tell myself I am not inclined to live on Fifth Avenue anyway; long-term exposure to liveried elevator operators would eventually bring me to Marxism.

"Do you like this job?" I asked the operator in Weinstein's building. He was a sagging man of 65 or 70; his eyes were rheumy and his nose spider-webbed with disintegrating capillaries.

"It's a job," he said. He paused. "I'm retired."

"But you're working," I said.

"Yeah. I'm working."

The coatrack in the hallway outside Weinstein's apartment was crowded with sensible coats. The passed canapés inside were utilitarian, as passed canapés go. These were my kind of rich people, I thought, not the piggy kind, no John Thains or Stephen

Schwarzsmans in the bunch, certainly no Bernard Madoffs. (I met Madoff once. He wasn't very nice. I think he judged me too poor to bother robbing.) We had gotten together to talk about charity, but I was hoping to learn about my own economic future. These were people who were calculating present values as 10-year-olds; people who had actual Swiss bank accounts; people who short Treasuries on their BlackBerrys; and one person, Weinstein himself, who won a Maserati in a poker tournament.

The writer Jonathan Rosen has described New York now as having a posthumous feel, but this was not entirely the case in Weinstein's apartment, which was vibrating with superficial good cheer. Economic disintegration provokes in some people strange feelings of lightness. Of course, some of the people gathered there—say, those who spent the past year short-selling bank stocks—were experiencing the strange feeling of lightness that comes from acquiring huge, stinking piles of money. But on the whole, anxiety lurked beneath the bonhomie. Within 10 minutes of my arrival, two friends separately and quietly suggested I buy gold, and right now.

"You no longer know the world you live in," the Nobel laureate told me. "Right now, it's unclear what rules apply. I'm surprised Americans aren't more panicked."

"You have to guard against the massive debasement of the dollar," one said. I explained to him my theory of market peaks—that the moment I buy a stock or a commodity is the moment it peaks. In any case, I would need substantially more of those soon-to-be-debased dollars to buy gold. But his arguments seemed sound.

Then another friend approached. "You don't want to be long gold. The dollar is the currency of last resort for the entire world. There's little chance of debasement." His argument also seemed sound. Everyone seemed to be in possession of sound arguments. Even people on CNBC sometimes seem to be in possession of sound arguments.

Weinstein stood up to make introductions. He was one of the early innovators in the field of credit-default swaps, and he earned billions of dollars for his former employer, Deutsche Bank—and tens of millions for himself—until last year, when his trades cost the bank \$1.8 billion (though some of the bank's positions rebounded by \$600 million). I am in no position to judge what happened; Weinstein's attempts to explain to me the workings of credit-default swaps have not borne the fruit of enlightenment.

Bill Ackman, the founder of Pershing Square Capital, was to lead the discussion. Ackman is tall, prematurely gray, and immoderately self-assured, the sort of winning figure who could be elected to the Senate one day, if the country ever decides to stop hating hedge-fund managers. Weinstein introduced Ackman as a perspicacious investor, which he is, generally. Early in the current crisis, he suggested publicly that the decision of the bond-insurance company MBIA to guarantee billions of dollars of complicated mortgage investments would come to no good. But, like Weinstein, Ackman was not having the best year; one of his funds was betting solely on the resurgence of the Target corporation's stock, and Target's performance was not covering Ackman in glory.

"I thought this was a perfect time to talk about philanthropy and investing, because they've merged; they're both tax-deductible at this point," Ackman said, opening his talk. He spoke mainly of the psychic rewards of charitable giving, and of specific projects he supported. He asked for questions, which mainly concerned his prodigious charitable giving. Then someone asked a question about Ackman's reputation:

"It used to be that in America, if you were a successful businessman, you were well-regarded. Now it seems that you are an evildoer if you're successful, particularly in the financial world. Your profile is getting bigger. Do you think that's good, or do people say, 'He should be spending more time in the office and not so much out there'?"

Ackman responded: "A lot of hedge-fund managers I know are incredibly charitable and also fundamentally great people. But the press—first of all, you don't make that much money working for the press. Take *The New York Times*. *The New York Times* doesn't make that much money, and the people who work there don't make that much money. So you think about people who work for the press—generally, they resent

people who have financial success. A combination of that, plus some bad actors in the business, is a negative. Why did I go on *Charlie Rose*? Why have I been a little more public? Part of that is to blunt some of the negative associations with our industry."

Hmmm. Yes, well.

It only seemed right for me to stick up for my fellow ink-stained proles, so I decided to make an intervention. But then I thought, *This is Bill Ackman standing before me. He's a great investor. Maybe he can give me some advice.*

So this is what came out of my mouth: "What do you tell the ordinary mortal—say, the person who works in the press that you talked about—what do you say to the person who has \$20,000, \$50,000, \$100,000, or \$200,000, maybe, parked somewhere doing nothing? What is your advice right now for that person?"

I looked around. The wizards in the room were having difficulty calculating figures of such humble size. I had thought \$200,000 sounded like a large and unembarrassing number.

But the room reacted as if I had asked, "Bill, I have 75 cents in my pocket. Do you think I should buy Twizzlers or a big red gumball?"

Ackman answered: "First, it depends on when you're going to need the money. I've always said that if you want to take risk—any risk—you have to be prepared to put your money away for five years or more. If it's that kind of money, I would give someone a couple of alternatives. Do you have enough money in the bank that if you were to lose your job, you've got a good window to get reemployed? You've got to make sure you have a safety net. Buy a house. I think it's a great time to buy a house. But put a 20 percent down payment, get a good mortgage from Fannie and Freddie ... It's one of the best investments you could make. The rest

of the money, either invest in a very broad index fund—a Wilshire 5000 type of index fund—or if you want to do a bit of homework, I'd invest in a few great unlevered businesses that earn attractive returns. In my opinion, McDonald's, Visa, maybe Berkshire Hathaway."

I think Ackman might not have been accustomed to talking to people like me, which would help explain why he sounded suspiciously like ... a Merrill Lynch financial adviser.

He was, however, infinitely more compelling on the macro questions, and this was where the evening took a dark turn. "One of the things that's interesting about the last year is that you realize how much of our capital system is based on confidence—business confidence," he said. "If I'm confident I can refinance my debts when they come due, I'll spend money. If I'm not confident I can refinance my debts when they come due, I'm not spending any more money. So if I can't renew my home-equity loan and I'm not sure I can keep my job, I can't spend. And you get into this death spiral."

I asked him, "What's the chance we're going into that death spiral?"

"You're a naive capitalist," Soros told me. "Do not for a moment think that a brokerage firm is your friend." So who's my friend? "You don't have one."

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"We're in it!" he said. "Whether we're going to die or not is another question."

"What's the percentage chance we're going to move to a barter economy?" I asked.

"I think it's small," Ackman said.

"Small"? I had been hoping for "Zero." "Zero" would have been a fine answer, and not because I have nothing to barter except for a stack of old *SmartMoney* magazines, but "Zero" because, by the time my 12-year-old turns 18, I would like to be able to use my portfolio of stocks and bonds as a flotation device, and not as kindling.

THE WAY I SEE IT, it's all a con game," Cody Lundin was saying. "What I mean is that Wall Street has always been an illusion. Now it's an illusion that's crumbling. Wall Street is like someone who's having heart trouble. It's in constant need of resuscitation, but after a while, it just doesn't work anymore. People think that Bernard Madoff was unique, that he was an illusion, but he's just an extension of the same illusion, the same con game. This is one of

the reasons I don't like to have any debt. When you have debt, you become part of this illusion, and sometimes you get trapped by it."

We were standing outside in a foot of snow in the mountains above Prescott, Arizona. Lundin was arguing so cogently against the American culture of easy credit, in tones far more thoughtful than one hears on cable television, that I forgot for a moment that he wasn't wearing shoes, or socks. He was standing in the snow barefoot. Also, in shorts.

"It's all about regulating core body temperature." For long hikes in the snow, he wears three pairs of socks, without shoes. He suggested I try this.

Other things Lundin asked me to try include making fire with sticks, eating mice—"a free source of protein in survival scenarios"—and living without electricity for a week to "see where it hurts." Lundin himself eats mice and rats he traps at his off-the-grid passive-solar house in the wilderness, because "why waste free protein?"

Lundin is a freak; twin blond braids fall from his bandanna-covered head, giving him the appearance of a stoner Viking. But in the event that the economy crumbles, and

WINTER'S TALE

Even from my study at the back
of the house I can hear an orange drop
upstairs, one of the last to grow

on the dwarf tree you bought me
thirty years ago. When it tried
to overtake the window frame

we cruelly lopped side branches and still
it blossomed and bore its bitter progeny
the size and wrinkle of walnuts.

Repotting, we tore the roots apart,
vermiculite clinging like hatchlings
of silverfish to its tendrils. It thrived,

for years you harvested a pint or more.
But as it aged the fruitage thinned
and hoping to replace it, you soaked

handfuls of seeds. Three consented to sprout.
They shot straight up like pole beans,
greedy underlings sucking in

all the light at the front of the house.
Of course they were sterile.
Today, when I hear an orange drop

I don't let myself think back to the winters
when you'd pick a crop of twenty, thirty
oranges at once, cut each

one open, force the seeds out, add
enough sugar to make my teeth ache,
and boil and boil until the mass

congealed, sheeting off the spoon
in the drear of February while rain
fell on snow, making little pockmarks

like mattress buttons in the pasture
outside the steamy kitchen window,
and life was bleak and sweet and you

made marmalade.

—Maxine Kumin

Maxine Kumin is the author of 16 books of poetry, most recently Still to Mow (2007). She lives on a farm in New Hampshire.

civilization with it, I would appoint him my financial adviser. He is my favorite survivalist, the author of a book on getting by in the wilderness and another on urban preparedness, and a teacher of primitive-living skills. *Survivalist*, of course, has ugly political connotations. A long time ago, I visited a place called Elohim City, on the Oklahoma-Arkansas border, that was home to a group of white supremacists. Their racism was repulsive, and their anti-Semitism wasn't too pleasant, either. But I was impressed with one aspect of their lifestyle. On a tour, they showed me a vast storeroom filled with beans. Pinto beans, lima beans, all sorts of beans, vacuum-packed in garbage-can-size vats. Three years of food, for when the revolution comes. I knew, of course, that I didn't need three years of beans in my house, but I took the lesson: it's not the worst thing in the world to have a couple of weeks of food and water on hand, just in case a natural or man-made emergency is more than FEMA can handle.

Lundin is not a racist; in fact, he's an Obama supporter, and he resents the racist associations attached to survivalism. Nor does he wish for the grid to go down. He says he enjoys electricity and indoor plumbing. He tends to think, though, that civilization is a thin film, and that in times of economic distress, it's smart to be prepared for the day when Safeway runs out of milk. "This isn't something I hope for. But what if the illusion does really crumble, and we have to move as a society to something else?"

I asked Cody how he invests his money. "I don't believe in the intangible economy; I believe in the tangible economy. When I have extra money, I buy tools, food, or land. I like to be able to see what I'm buying. And I really don't like debt, so I'd rather not have certain things than be in debt to anyone. I just feel better knowing that I don't owe money, and I feel good knowing that I can take care of myself. That's the American way, to be able to be self-reliant."

For the record, I don't think the grid is buckling under the weight of consumer debt or the mistakes of AIG. But we're in a strange moment in American history when a mouse-eating barefoot survivalist in the mountains of Arizona makes more sense than the chief investment strategist of Merrill Lynch.

"People need a plan, they need skills, and they need supplies. What would happen if the ATMs stopped working for a couple of days? People would panic. But you won't panic if you're prepared to ride out a disturbance."

Even out West, he says, people in the cities are unequipped to go for more than a day or two on their own. The Mormons, who are strongly encouraged by their church to keep a year's supply of food in their homes, are an exception. "I know some people who say that if things go to hell, they're just going to go to some Mormon's house and steal all his shit. But that's not right."

"Also, many Mormons keep guns."

"Yeah, there's that."

THE CURIOUS THING about listening to Cody Lundin is that in his ideas I heard echoes of ideas I've been hearing from people very much dependent on the financial grid. Bill Gross, the founder of Pimco, the world's leading bond trader (and, according to a September 2008 ranking by *Forbes*, America's 227th-richest person), suggested that thrift—not mouse-eating thrift, but more moderate forms of thrift—is quickly becoming the norm, as a result of society's massive over-leveraging.

"Risk-taking went over the edge," he told me. "We are inventing something new. We're very afraid. We know from the Depression that people who lived through it didn't change their mentality for the rest of their lives. They were sewing their socks. They refused to take a lot of chances. My sense is that it will take 10 or 20 years to find that spark of risk-taking in people again."

When I told Seth Klarman, one of the country's leading value investors, about my visit with Cody Lundin, he said, "It's always smart to prepare for disaster. In investing, that means holding disaster insurance. In your personal life, it makes

sense to have inexpensive disaster protection, so come what may, you're ready for any eventuality. I like to store some extra bottled water in the basement, but my wife thinks it's too much clutter. I told her I'd share my water with her anyway."

While I'd choose Cody Lundin to serve as my off-the-grid adviser, I would choose Seth Klarman as my on-the-grid adviser, if only he were taking clients.

Klarman was hired out of Harvard Business School to manage a \$27 million fund that, as of early this year, had grown to \$14 billion. He is also the author of one of the more expensive books in the world, *Margin of Safety*. An out-of-print guide to value investing, it sells for as much as \$2,500 per copy on the Web.

Klarman is an acolyte of Ben Graham, the original value investor. Value investors—Warren Buffett is the most famous—seek out

distressed, underappreciated assets, buy them, and wait until the rest of the world realizes that they're worth something.

"The overwhelming majority of people are comfortable with consensus, but successful investors tend to have a contrarian bent," Klarman said over lunch one day in an empty Boston restaurant. "Successful investors like stocks better when they're going down. When you go to a department store or a supermarket, you like to buy merchandise on sale, but it doesn't work that way in the stock market. In the stock market, people panic when stocks are going down, so they like them less when they should like them more. When prices go down, you shouldn't panic, but it's hard to control your emotions when you're overextended, when you see your net worth drop in half and you worry that you won't have enough money to pay for your kids' college."

One theme of *Margin of Safety* is that people like me aren't equipped to be investors. "No one knows what he's doing

One friend told me to buy gold. His argument seemed sound. Another friend told me not to. His argument also seemed sound. Everyone seemed to be in possession of sound arguments.

unless he's a full-time professional," he said. "As in many professions, full-time experts have an enormous advantage. Investing is highly sophisticated and nuanced. The average person would have an incredibly hard time competing."

I asked Klarman if he wasn't working against his own financial interest by arguing that average people aren't qualified to be investors.

"Most people on Wall Street do well enough," he said. "It's regrettable that anyone would want a client to take risks beyond what the client could handle."

He agreed with Robert Soros that the financial-services industry treats the small investor not as a client but as a source of ready cash. "The average person can't really trust anybody. They can't trust a broker, because the broker is interested in churning commissions. They can't trust a mutual fund, because the mutual fund is interested in gathering a lot of assets and keeping them. And now it's even worse because even the most sophisticated people have no idea what's going on."

After 15 years of pabulum, I was enjoying, in a perverse sort of way, receiving straight talk from masters of finance.

"Everybody these days is a just-in-time investor. People say, 'I'm going to leave my money in the market as long as possible, and then pull it out of the market just before I have to write the tuition check.' But I think we're seeing that the day you need to pull it out of the market, the market might be down 50 percent. It's critical not to be greedy. Avoid leverage and don't invest money that you can't stand to lose."

"I haven't leveraged myself," I said.

He asked me if I had a mortgage. Yes. He then asked me if the amount of money I had invested in the stock market was greater than the amount I owed on my mortgage—could I liquidate what remained of my portfolio to pay off my mortgage? I could.

"So you *are* leveraged. Why are you keeping your money in the market?"

"Because—"

"It's because you think you're going to make more money in the market than you're paying in interest on your mortgage."

"Yup."

"Well, are you?"

"Uhh, no. But I'm getting the mortgage-interest deduction."

"Yes, the interest is deductible. But if you had capital gains in the market, you'd pay taxes on those. In the aftermath of this financial crisis, I think everyone needs to look deep within themselves and ask how they want to live their lives. Do they want to live close to the edge, or do they want stability? In my view, people should have a year or two of living expenses in cash if possible, and they shouldn't use leverage anywhere in their lives."

"But if I dump my portfolio now, I make my losses real."

"How are you going to feel if the market drops another 50 percent?"

Klarman went on, "Here's how to know if you have the make-up to be an investor. How would you handle the

following situation? Let's say you own a Procter & Gamble in your portfolio and the stock price goes down by half. Do you like it better? If it falls in half, do you reinvest dividends? Do you take cash out of savings to buy more? If you have the confidence to do that, then you're an investor. If you don't, you're not an investor, you're a speculator, and you shouldn't be in the stock market in the first place."

SEVERAL YEARS AGO, I went to a party at a hedge-fund manager's loft in Lower Manhattan. The elevator opened directly into the loft, which was as big as Mussolini's office. An Austin Powers bed was parked to one side.

I left the party with a friend of mine, David Segal, who is now a business reporter at *The New York Times*. As we walked to the subway, he said, "You know, we should get one of those hedge funds."

"Absolutely," I said. "Where do we get one?"

"I don't know. Maybe we can find one on the street. But we need one."

"Yes, we do."

When I think back on that conversation, I realize that it represents for me the apex of hedge-fund mania. Which is to say, when two reporters realize they should get into the hedge-fund business, it might be somewhat late to get into the hedge-fund business.

Seth Klarman is right. I'm not an investor. Very few people in America actually are. I never had the knowledge or the time to master the stock market. I thought I knew how to manage the danger, which is why I invested to a disproportionate degree in the Dow 30. I've learned, however, that it's quite possible to ride the Dow 30 a far way along the risk curve. And I've learned another thing: I once believed that a buy-and-hold strategy would make me rich. This was a mistaken belief. "The economy comes in cycles," Robert Soros said. "If you believe that the economy is not cyclical, then buy-and-hold is for you." He taught me a Wall Street expression: "An investment is a trade gone bad."

Though the past six months of my financial life have been marked mainly by paralysis, I have, in fact, made a couple of decisions. I've decided to deplete the world's supply of gold by two ounces. (Attention all *Atlantic*-reading burglars: it's not in my house.) You'll be pleased to know that the price of gold fell

\$70 the week after I bought.

And my wife and I have decided to fire our Merrill Lynch financial adviser. We're not firing him because we realized that his company couldn't manage its own money, much less ours, and we're not firing him for his bad advice. I was the one, after all, who pulled the trigger on the purchase of 100 shares of AIG. (It would have been good of him to warn us about what was coming, but that would have necessitated him knowing what was coming.) We're also not firing him because his research chief wants us to elongate our already too-long time horizon. And we're not firing him because John Thain,

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his former CEO, spent the fees we paid his company on a \$35,000 commode. We're firing him mainly because he fired us. He never said he was firing us. He just stopped calling. Eventually, I stopped calling him. I got the message.

Our main job now is finding someone to advise us. This is a very difficult task.

I asked Bill Gross what he thought I should do. He was somewhat dyspeptic. "The system is rigged," he said. "It's difficult for the average investor to even conceptualize what we're talking about. For this reason, I think financial advisers are still worthwhile, but the average investor can no longer pay them what they felt they were worth. You should find someone who isn't overpromising or overcharging."

This search is made more difficult because we don't have enough money to make ourselves interesting to most of the best advisers, and the typical adviser is not sufficiently independent-minded to be effective.

"There's enormous pressure to provide conventional advice," Klarman explained, "and tremendous pressure against providing unconventional advice. Advisers only recommend what's conventionally palatable. They tend to say 60 percent stocks, 40 percent bonds, and they're not likely to move away from that, no matter how extreme valuations are. They're not likely to move away from it when the market is really high, or really low. A big part of the problem is that there isn't a perfect answer to any of this. No one can tell you how to allocate your assets 100 percent of the time. The average investor is not getting Warren Buffett to look at his portfolio; he's getting a printout from a computer model."

Unconventionality makes me nervous, but less so than conformity. I'm finished with conformity. In picking an adviser, I'm also looking for someone who is unleveraged; someone who is putting his own money into the investments he's recommending; and someone who can explain to me in a few sentences, in language easily understood by earthlings, his philosophy of investing.

Despite everything, I'm not overly pessimistic. I'm long on America, as my friends on Wall Street might say. I believe

GALLERY MECYCLING by Laurie Rosenwald



that equities will grow in value. I expect the Dow to return to 9,000, or 10,000, if not sooner, then later. And when it does, if I'm not already out, I might just get out. I'm not enjoying this particular ride.

I no longer expect to get rich. It makes me happy to realize this. It also makes it easier to give more money to charity. In retrospect, I can't imagine what led all of us to believe that we could regularly expect double-digit annual returns on our money, for doing no work. Maybe this attitude will cause me to miss the next great run-up. No matter. I'll take 3 or 4 percent gains a year, or 1 or 2, if necessary. I'll keep more cash on hand. I'll keep a two-week supply of meals-ready-to-eat, bottled water, and lanterns in my basement. If things get bad, I'll take my family and drive west, to find Cody Lundin. And if the bottom truly falls out, I'll find a Mormon and ask him, politely, if he'll share. ■

Jeffrey Goldberg, an Atlantic national correspondent and the author of Prisoners: A Story of Friendship and Terror, blogs at jeffreysgoldberg.theatlantic.com

THE CRASH HAS LAID BARE many unpleasant truths about the United States. One of the most alarming, says a former chief economist of the International Monetary Fund, is that the finance industry has effectively captured our government—a state of affairs that more typically describes emerging markets, and is at the center of many emerging-market crises. If the IMF's staff could speak freely about the U.S., it would tell us what it tells all countries in this situation: recovery will fail unless we break the financial oligarchy that is blocking essential reform. And if we are to prevent a true depression, we're running out of time.

THE QUIET COUP

By Simon Johnson



JIM BOYER/REUTERS/CORBIS

ONE THING YOU learn rather quickly when working at the International Monetary Fund is that no one is ever very happy to see you. Typically, your “clients” come in only after private capital has abandoned them, after regional trading-bloc partners have been unable to throw a strong enough lifeline, after last-ditch attempts to borrow from powerful friends like China or the European Union have fallen through. You’re never at the top of anyone’s dance card.

The reason, of course, is that the IMF specializes in telling its clients what they don’t want to hear. I should know; I pressed painful changes on many foreign officials during my time there as chief economist in 2007 and 2008. And I felt the effects of IMF pressure, at least indirectly, when I worked with governments in Eastern Europe as they struggled after 1989, and with the private sector in Asia and Latin America during the crises of the late 1990s and early 2000s. Over that time, from every vantage point, I saw firsthand the steady flow of officials—from Ukraine, Russia, Thailand, Indonesia, South Korea, and elsewhere—trudging to the fund when circumstances were dire and all else had failed.

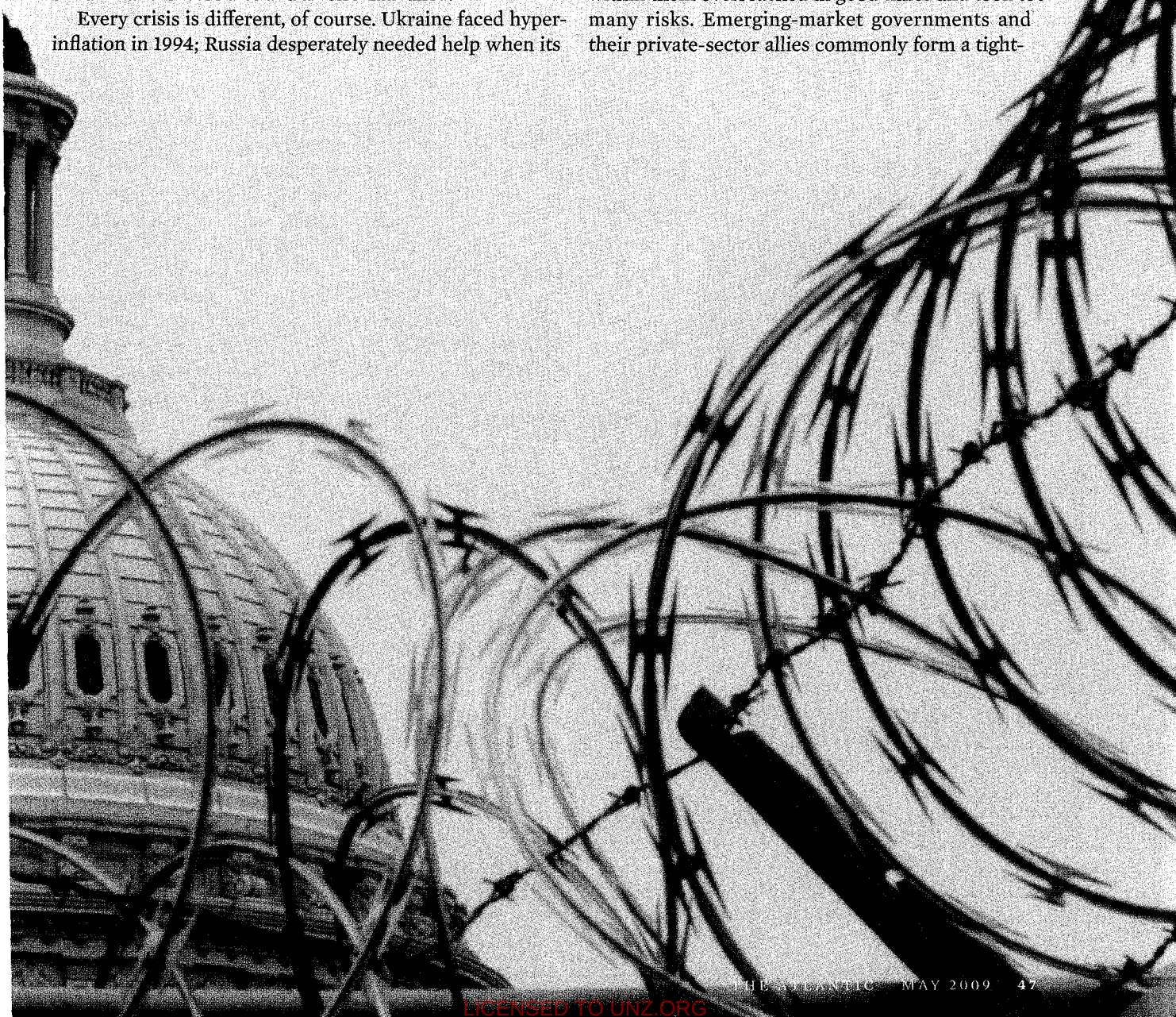
Every crisis is different, of course. Ukraine faced hyperinflation in 1994; Russia desperately needed help when its

short-term-debt rollover scheme exploded in the summer of 1998; the Indonesian rupiah plunged in 1997, nearly leveling the corporate economy; that same year, South Korea’s 30-year economic miracle ground to a halt when foreign banks suddenly refused to extend new credit.

But I must tell you, to IMF officials, all of these crises looked depressingly similar. Each country, of course, needed a loan, but more than that, each needed to make big changes so that the loan could really work. Almost always, countries in crisis need to learn to live within their means after a period of excess—exports must be increased, and imports cut—and the goal is to do this without the most horrible of recessions. Naturally, the fund’s economists spend time figuring out the policies—budget, money supply, and the like—that make sense in this context. Yet the economic solution is seldom very hard to work out.

No, the real concern of the fund’s senior staff, and the biggest obstacle to recovery, is almost invariably the politics of countries in crisis.

Typically, these countries are in a desperate economic situation for one simple reason—the powerful elites within them overreached in good times and took too many risks. Emerging-market governments and their private-sector allies commonly form a tight-



knit—and, most of the time, genteel—oligarchy, running the country rather like a profit-seeking company in which they are the controlling shareholders. When a country like Indonesia or South Korea or Russia grows, so do the ambitions of its captains of industry. As masters of their mini-universe, these people make some investments that clearly benefit the broader economy, but they also start making bigger and riskier bets. They reckon—correctly, in most cases—that their political connections will allow them to push onto the government any substantial problems that arise.

In Russia, for instance, the private sector is now in serious trouble because, over the past five years or so, it borrowed at least \$490 billion from global banks and investors on the assumption that the country's energy sector could support a permanent increase in consumption throughout the economy. As Russia's oligarchs spent this capital, acquiring other companies and embarking on ambitious investment plans that generated jobs, their importance to the political elite increased. Growing political support meant better access to lucrative contracts, tax breaks, and subsidies. And foreign investors could not have been more pleased; all other things being equal, they prefer to lend money to people who have the implicit backing of their national governments, even if that backing gives off the faint whiff of corruption.

But inevitably, emerging-market oligarchs get carried away; they waste money and build massive business empires on a mountain of debt. Local banks, sometimes pressured by the government, become too willing to extend credit to the elite and to those who depend on them. Overborrowing always ends badly, whether for an individual, a company, or a country. Sooner or later, credit conditions become tighter and no one will lend you money on anything close to affordable terms.

The downward spiral that follows is remarkably steep. Enormous companies teeter on the brink of default, and the local banks that have lent to them collapse. Yesterday's "public-private partnerships" are relabeled "crony capitalism." With credit unavailable, economic paralysis ensues, and conditions just get worse and worse. The government is forced to draw down its foreign-currency reserves to pay for imports, service debt, and cover private losses. But these reserves will eventually run out. If the country cannot right itself before that happens, it will default on its sovereign debt and become an economic pariah. The government, in its race to stop the bleeding, will typically need to wipe out some of the national champions—now hemorrhaging cash—and usually restructure a banking system that's gone badly out of balance. It will, in other words, need to squeeze at least some of its oligarchs.

Squeezing the oligarchs, though, is seldom the strategy of choice among emerging-market governments. Quite the contrary: at the outset of the crisis, the oligarchs are usually among the first to get extra help from the government, such as preferential access to foreign currency, or maybe a nice

tax break, or—here's a classic Kremlin bailout technique—the assumption of private debt obligations by the government. Under duress, generosity toward old friends takes many innovative forms. Meanwhile, needing to squeeze *someone*, most emerging-market governments look first to ordinary working folk—at least until the riots grow too large.

Eventually, as the oligarchs in Putin's Russia now realize, some within the elite have to lose out before recovery can begin. It's a game of musical chairs: there just aren't enough currency reserves to take care of everyone, and the government cannot afford to take over private-sector debt completely.

So the IMF staff looks into the eyes of the minister of finance and decides whether the government is serious yet.

The fund will give even a country like Russia a loan eventually, but first it wants to make sure Prime Minister Putin is ready, willing, and able to be tough on some of his friends. If he is not ready to throw former pals to the wolves, the fund can wait. And when he is ready, the fund is happy to make helpful suggestions—particularly with regard to wresting control of the banking system from the hands of the most incompetent and avaricious "entrepreneurs."

Of course, Putin's ex-friends will fight back. They'll mobilize allies, work the system, and put pressure on other parts of the government to get additional subsidies. In extreme cases, they'll even try subversion—including calling up their contacts in the American foreign-policy establishment, as

the Ukrainians did with some success in the late 1990s.

Many IMF programs "go off track" (a euphemism) precisely because the government can't stay tough on erstwhile cronies, and the consequences are massive inflation or other disasters. A program "goes back on track" once the government prevails or powerful oligarchs sort out among themselves who will govern—and thus win or lose—under the IMF-supported plan. The real fight in Thailand and Indonesia in 1997 was about which powerful families would lose their banks. In Thailand, it was handled relatively smoothly. In Indonesia, it led to the fall of President Suharto and economic chaos.

From long years of experience, the IMF staff knows its program will succeed—stabilizing the economy and enabling growth—only if at least some of the powerful oligarchs who did so much to create the underlying problems take a hit. This is the problem of all emerging markets.

BECOMING A BANANA REPUBLIC

In its depth and suddenness, the U.S. economic and financial crisis is shockingly reminiscent of moments we have recently seen in emerging markets (and only in emerging markets): South Korea (1997), Malaysia (1998), Russia and Argentina (time and again). In each of those cases, global investors, afraid that the country or its financial sector wouldn't be able to pay off mountainous debt, suddenly stopped lending. And in each case, that fear became self-fulfilling, as banks

**Treasury
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This was late-
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and simple.**

that couldn't roll over their debt did, in fact, become unable to pay. This is precisely what drove Lehman Brothers into bankruptcy on September 15, causing all sources of funding to the U.S. financial sector to dry up overnight. Just as in emerging-market crises, the weakness in the banking system has quickly rippled out into the rest of the economy, causing a severe economic contraction and hardship for millions of people.

But there's a deeper and more disturbing similarity: elite business interests—financiers, in the case of the U.S.—played a central role in creating the crisis, making ever-larger gambles, with the implicit backing of the government, until the inevitable collapse. More alarming, they are now using their influence to prevent precisely the sorts of reforms that are needed, and fast, to pull the economy out of its nosedive. The government seems helpless, or unwilling, to act against them.

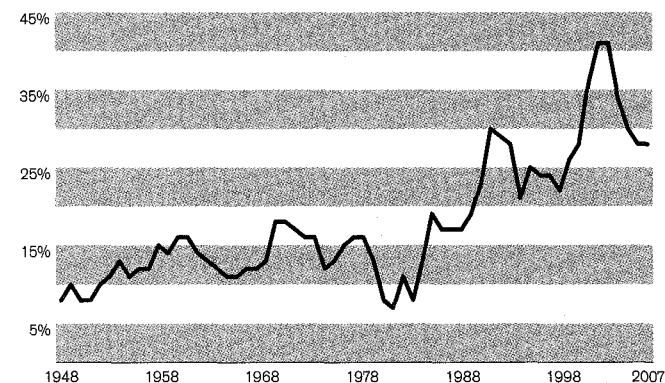
Top investment bankers and government officials like to lay the blame for the current crisis on the lowering of U.S. interest rates after the dotcom bust or, even better—in a “buck stops somewhere else” sort of way—on the flow of savings out of China. Some on the right like to complain about Fannie Mae or Freddie Mac, or even about longer-standing efforts to promote broader homeownership. And, of course, it is axiomatic to everyone that the regulators responsible for “safety and soundness” were fast asleep at the wheel.

But these various policies—lightweight regulation, cheap money, the unwritten Chinese-American economic alliance, the promotion of homeownership—had something in common. Even though some are traditionally associated with Democrats and some with Republicans, they *all* benefited the financial sector. Policy changes that might have forestalled the crisis but would have limited the financial sector's profits—such as Brooksley Born's now-famous attempts to regulate credit-default swaps at the Commodity Futures Trading Commission, in 1998—were ignored or swept aside.

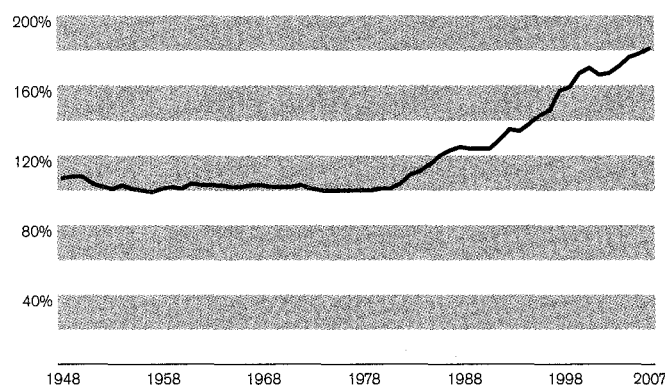
The financial industry has not always enjoyed such favored treatment. But for the past 25 years or so, finance has boomed, becoming ever more powerful. The boom began with the Reagan years, and it only gained strength with the deregulatory policies of the Clinton and George W. Bush administrations. Several other factors helped fuel the financial industry's ascent. Paul Volcker's monetary policy in the 1980s, and the increased volatility in interest rates that accompanied it, made bond trading much more lucrative. The invention of securitization, interest-rate swaps, and credit-default swaps greatly increased the volume of transactions that bankers could make money on. And an aging and increasingly wealthy population invested more and more money in securities, helped by the invention of the IRA and the 401(k) plan. Together, these developments vastly increased the profit opportunities in financial services.

Not surprisingly, Wall Street ran with these opportunities. From 1973 to 1985, the financial sector never earned more than 16 percent of domestic corporate profits. In 1986, that figure reached 19 percent. In the 1990s, it oscillated between 21 percent and 30 percent, higher than it had ever been in the postwar period. This decade, it reached 41 percent. Pay rose just as dramatically. From 1948 to 1982, average compensation in the financial sector ranged between 99 percent and

FINANCIAL-INDUSTRY PROFITS AS A SHARE OF U.S. BUSINESS PROFITS



PAY PER WORKER IN THE FINANCIAL SECTOR AS A PERCENTAGE OF AVERAGE U.S. COMPENSATION



108 percent of the average for all domestic private industries. From 1983, it shot upward, reaching 181 percent in 2007.

The great wealth that the financial sector created and concentrated gave bankers enormous political weight—a weight not seen in the U.S. since the era of J. P. Morgan (the man). In that period, the banking panic of 1907 could be stopped only by coordination among private-sector bankers: no government entity was able to offer an effective response. But that first age of banking oligarchs came to an end with the passage of significant banking regulation in response to the Great Depression; the reemergence of an American financial oligarchy is quite recent.

THE WALL STREET- WASHINGTON CORRIDOR

Of course, the U.S. is unique. And just as we have the world's most advanced economy, military, and technology, we also have its most advanced oligarchy.

In a primitive political system, power is transmitted through violence, or the threat of violence: military coups, private militias, and so on. In a less primitive system more typical of emerging markets, power is transmitted via money: bribes, kickbacks, and offshore bank accounts. Although lobbying and campaign contributions certainly play major roles in the American political system, old-fashioned corruption—envelopes stuffed with \$100 bills—is probably a sideshow today, Jack Abramoff notwithstanding.

Instead, the American financial industry gained political power by amassing a kind of cultural capital—a belief system. Once, perhaps, what was good for General Motors was good for the country. Over the past decade, the attitude took hold that what was good for Wall Street was good for the country. The banking-and-securities industry has become one of the top contributors to political campaigns, but at the peak of its influence, it did not have to buy favors the way, for example, the tobacco companies or military contractors might have to. Instead, it benefited from the fact that Washington insiders already believed that large financial institutions and free-flowing capital markets were crucial to America's position in the world.

One channel of influence was, of course, the flow of individuals between Wall Street and Washington. Robert Rubin, once the co-chairman of Goldman Sachs, served in Washington as Treasury secretary under Clinton, and later became chairman of Citigroup's executive committee. Henry Paulson, CEO of Goldman Sachs during the long boom, became Treasury secretary under George W. Bush. John Snow, Paulson's predecessor, left to become chairman of Cerberus Capital Management, a large private-equity firm that also counts Dan Quayle among its executives. Alan Greenspan, after leaving the Federal Reserve, became a consultant to Pimco, perhaps the biggest player in international bond markets.

These personal connections were multiplied many times over at the lower levels of the past three presidential administrations, strengthening the ties between Washington and Wall Street. It has become something of a tradition for Goldman Sachs employees to go into public service after they leave the firm. The flow of Goldman alumni—including Jon Corzine, now the governor of New Jersey, along with Rubin and Paulson—not only placed people with Wall Street's worldview in the halls of power; it also helped create an image of Goldman (inside the Beltway, at least) as an institution that was itself almost a form of public service.

Wall Street is a very seductive place, imbued with an air of power. Its executives truly believe that they control the levers that make the world go round. A civil servant from Washington invited into their conference rooms, even if just for a meeting, could be forgiven for falling under their sway. Throughout my time at the IMF, I was struck by the easy access of leading financiers to the highest U.S. government officials, and the interweaving of the two career tracks. I vividly remember a meeting in early 2008—attended by top policy makers from a handful of rich countries—at which the chair casually proclaimed, to the room's general approval, that the best preparation for becoming a central-bank governor was to work first as an investment banker.

A whole generation of policy makers has been mesmerized by Wall Street, always and utterly convinced that whatever the banks said was true. Alan Greenspan's pronouncements in favor of unregulated financial markets are well known.

Yet Greenspan was hardly alone. This is what Ben Bernanke, the man who succeeded him, said in 2006: "The management of market risk and credit risk has become increasingly sophisticated ... Banking organizations of all sizes have made substantial strides over the past two decades in their ability to measure and manage risks."

Of course, this was mostly an illusion. Regulators, legislators, and academics almost all assumed that the managers of these banks knew what they were doing. In retrospect, they didn't. AIG's Financial Products division, for instance, made \$2.5 billion in pretax profits in 2005, largely by selling underpriced insurance on complex, poorly understood securities. Often described as "picking up nickels in front of a steamroller," this strategy is profitable in ordinary years, and catastrophic in bad ones. As of last fall, AIG had outstanding insurance on more than \$400 billion in securities. To date, the U.S. government, in an effort to rescue the company, has committed about \$180 billion in investments and loans to cover losses that AIG's sophisticated risk modeling had said were virtually impossible.

Wall Street's seductive power extended even (or especially) to finance and economics professors, historically confined to the cramped offices of universities and the pursuit of Nobel Prizes. As mathematical finance became more and more essential to practical finance, professors increasingly took positions as consultants or partners at financial institutions. Myron Scholes and Robert Merton, Nobel laureates both, were perhaps the most famous; they took board seats at the hedge fund Long-Term Capital Management in 1994, before the fund famously flamed out at the end of the decade. But many others beat similar paths. This migration gave the stamp of academic legitimacy (and the intimidating aura of intellectual rigor) to the burgeoning world of high finance.

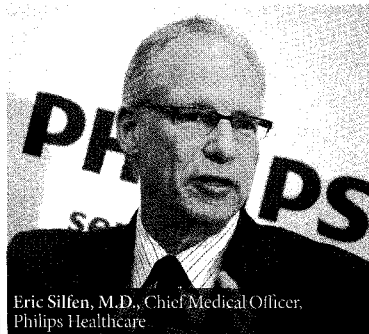
As more and more of the rich made their money in finance, the cult of finance seeped into the culture at large. Works like *Barbarians at the Gate*, *Wall Street*, and *Bonfire of the Vanities*—all intended as cautionary tales—served only to increase Wall Street's mystique. Michael Lewis noted in *Portfolio* last year that when he wrote *Liar's Poker*, an insider's account of the financial industry, in 1989, he had hoped the book might provoke outrage at Wall Street's hubris and excess. Instead, he found himself "knee-deep in letters from students at Ohio State who wanted to know if I had any other secrets to share ... They'd read my book as a how-to manual." Even Wall Street's criminals, like Michael Milken and Ivan Boesky, became larger than life. In a society that celebrates the idea of making money, it was easy to infer that the interests of the financial sector were the same as the interests of the country—and that the winners in the financial sector knew better what was good for America than did the career civil servants in Washington. Faith in free financial markets grew into conventional wisdom—trumpeted on the editorial pages of *The Wall Street Journal* and on the floor of Congress.

If you hid the name of the country and just showed them the numbers, there is no doubt what old IMF hands would say: nationalize troubled banks and break them up.

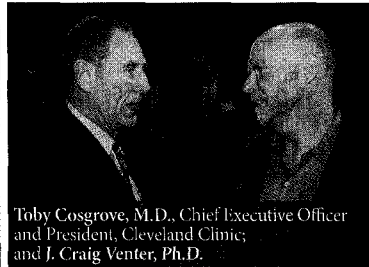
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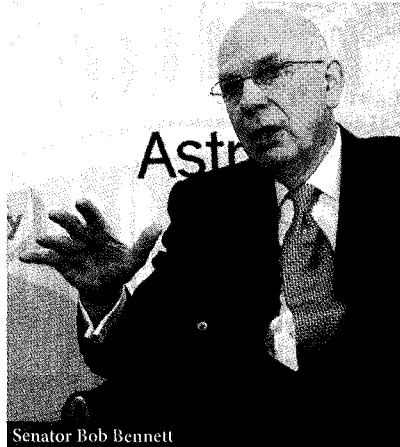
Senator Ron Wyden



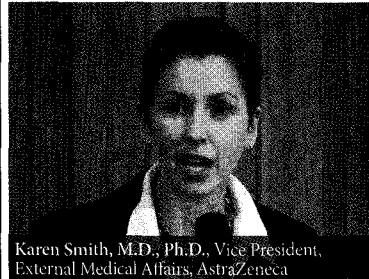
Eric Silfen, M.D., Chief Medical Officer,
Philips Healthcare



Toby Cosgrove, M.D., Chief Executive Officer
and President, Cleveland Clinic;
and J. Craig Venter, Ph.D.



Senator Bob Bennett



Karen Smith, M.D., Ph.D., Vice President,
External Medical Affairs, AstraZeneca

“Engaged, informed, involved patients will make different types of decisions.”

ELIZABETH TEISBERG, Ph.D.
Author, *Redefining Healthcare*; Associate Professor,
University of Virginia Darden School of Business

“We need to have an offensive strategy to reduce cost and try to achieve comprehensive health-care reform and we have to have a defensive strategy to make sure we don’t cheat ourselves again.”

DAVID WALKER
President and Chief Executive Officer, Peter G. Peterson
Foundation; Former Comptroller General of the United States

“Innovation is giving us the tools... to be able to make individual decisions as opposed to population decisions.”

ANDREW VON ESCHENBACH, M.D.
Former Commissioner of the United States
Food and Drug Administration

The State of the Union for **HEALTH CARE**

February 11, 2009

The State of the Union for Health Care marked the first installment in *The Atlantic*’s 2009 Intelligence Series, dedicated to the major issues impacting American business—policy, regulation, innovation, and quality. Along with partners AstraZeneca, Cleveland Clinic, and Philips, *The Atlantic* hosted recognized leaders in health care—from government to business, research to delivery—for a day of informed discussion at the National Press Club.

The summit delivered lively analysis of the latest advances in research and development, new opportunities for reform, and continuing efforts to reconcile quality and value of care.

Senators Bob Bennett and Ron Wyden, authors of the Healthy Americans Act, shared their bold vision for improving America’s health-care system and noted a new bipartisan spirit for health-care reform on Capitol Hill. Another panel discussion addressed the need for increased transparency by providers in order to improve patient care and the functionality of the health-care system as a whole.

Throughout the year, *The Atlantic*’s Intelligence Series will convene influential audiences for solutions-oriented dialogue on the most pressing topics of the day, including defense and security, education, the economy, and the environment.

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From this confluence of campaign finance, personal connections, and ideology there flowed, in just the past decade, a river of deregulatory policies that is, in hindsight, astonishing:

- insistence on free movement of capital across borders;
- the repeal of Depression-era regulations separating commercial and investment banking;
- a congressional ban on the regulation of credit-default swaps;
- major increases in the amount of leverage allowed to investment banks;
- a light (dare I say *invisible*?) hand at the Securities and Exchange Commission in its regulatory enforcement;
- an international agreement to allow banks to measure their own riskiness;
- and an intentional failure to update regulations so as to keep up with the tremendous pace of financial innovation.

The mood that accompanied these measures in Washington seemed to swing between nonchalance and outright celebration: finance unleashed, it was thought, would continue to propel the economy to greater heights.

AMERICA'S OLIGARCHS AND THE FINANCIAL CRISIS

The oligarchy and the government policies that aided it did not alone cause the financial crisis that exploded last year. Many other factors contributed, including excessive borrowing by households and lax lending standards out on the fringes of the financial world. But major commercial and investment banks—and the hedge funds that ran alongside them—were the big beneficiaries of the twin housing and equity-market bubbles of this decade, their profits fed by an ever-increasing volume of transactions founded on a relatively small base of actual physical assets. Each time a loan was sold, packaged, securitized, and resold, banks took their transaction fees, and the hedge funds buying those securities reaped ever-larger fees as their holdings grew.

Because everyone was getting richer, and the health of the national economy depended so heavily on growth in real estate and finance, no one in Washington had any incentive to question what was going on. Instead, Fed Chairman Greenspan and President Bush insisted metronomically that the economy was fundamentally sound and that the tremendous growth in complex securities and credit-default swaps was evidence of a healthy economy where risk was distributed safely.

In the summer of 2007, signs of strain started appearing. The boom had produced so much debt that even a small economic stumble could cause major problems, and rising delinquencies in subprime mortgages proved the stumbling block. Ever since, the financial sector and the federal government have been behaving exactly the way one would expect them to, in light of past emerging-market crises.

By now, the princes of the financial world have of course been stripped naked as leaders and strategists—at least in the eyes of most Americans. But as the months have rolled by, financial elites have continued to assume that their position

as the economy's favored children is safe, despite the wreckage they have caused.

Stanley O'Neal, the CEO of Merrill Lynch, pushed his firm heavily into the mortgage-backed-securities market at its peak in 2005 and 2006; in October 2007, he acknowledged, "The bottom line is, we—I—got it wrong by being overexposed to subprime, and we suffered as a result of impaired liquidity in that market. No one is more disappointed than I am in that result." O'Neal took home a \$14 million bonus in 2006; in 2007, he walked away from Merrill with a severance package worth \$162 million, although it is presumably worth much less today.

In October, John Thain, Merrill Lynch's final CEO, reportedly lobbied his board of directors for a bonus of \$30 million or more, eventually reducing his demand to \$10 million in December; he withdrew the request, under a firestorm of protest, only after it was leaked to *The Wall Street Journal*. Merrill Lynch as a whole was no better: it moved its bonus payments, \$4 billion in total, forward to December, presumably to avoid the possibility that they would be reduced by Bank of America, which would own Merrill beginning on January 1. Wall Street paid out \$18 billion in year-end bonuses last year to its New York City employees, after the government disbursed \$243 billion in emergency assistance to the financial sector.

In a financial panic, the government must respond with both speed and overwhelming force. The root problem is uncertainty—in our case, uncertainty about whether the major banks have sufficient assets to cover their liabilities. Half measures combined with wishful thinking and a wait-and-see attitude cannot overcome this uncertainty. And the longer the response takes, the longer the uncertainty will stymie the flow of credit, sap consumer confidence, and cripple the economy—ultimately making the problem much harder to solve. Yet the principal characteristics of the government's response to the financial crisis have been delay, lack of transparency, and an unwillingness to upset the financial sector.

The response so far is perhaps best described as "policy by deal": when a major financial institution gets into trouble, the Treasury Department and the Federal Reserve engineer a bailout over the weekend and announce on Monday that everything is fine. In March 2008, Bear Stearns was sold to JPMorgan Chase in what looked to many like a gift to JPMorgan. (Jamie Dimon, JPMorgan's CEO, sits on the board of directors of the Federal Reserve Bank of New York, which, along with the Treasury Department, brokered the deal.) In September, we saw the sale of Merrill Lynch to Bank of America, the first bailout of AIG, and the takeover and immediate sale of Washington Mutual to JPMorgan—all of which were brokered by the government. In October, nine large banks were recapitalized on the same day behind closed doors in Washington. This, in turn, was followed by additional bailouts for Citigroup, AIG, Bank of America, Citigroup (again), and AIG (again).

Some of these deals may have been reasonable responses to the immediate situation. But it was never clear (and still isn't) what combination of interests was being served, and how. Treasury and the Fed did not act according to any publicly articulated principles, but just worked out a transaction

and claimed it was the best that could be done under the circumstances. This was late-night, backroom dealing, pure and simple.

Throughout the crisis, the government has taken extreme care not to upset the interests of the financial institutions, or to question the basic outlines of the system that got us here. In September 2008, Henry Paulson asked Congress for \$700 billion to buy toxic assets from banks, with no strings attached and no judicial review of his purchase decisions. Many observers suspected that the purpose was to overpay for those assets and thereby take the problem off the banks' hands—indeed, that is the only way that buying toxic assets would have helped anything. Perhaps because there was no way to make such a blatant subsidy politically acceptable, that plan was shelved.

Instead, the money was used to recapitalize banks, buying shares in them on terms that were grossly favorable to the banks themselves. As the crisis has deepened and financial institutions have needed more help, the government has gotten more and more creative in figuring out ways to provide banks with subsidies that are too complex for the general public to understand. The first AIG bailout, which was on relatively good terms for the taxpayer, was supplemented by three further bailouts whose terms were more AIG-friendly. The second Citigroup bailout and the Bank of America bailout included complex asset guarantees that provided the banks with insurance at below-market rates. The third Citigroup bailout, in late February, converted government-owned preferred stock to common stock at a price significantly higher than the market price—a subsidy that probably even most *Wall Street Journal* readers would miss on first reading. And the convertible preferred shares that the Treasury will buy under the new Financial Stability Plan give the conversion option (and thus the upside) to the banks, not the government.

This latest plan—which is likely to provide cheap loans to hedge funds and others so that they can buy distressed bank assets at relatively high prices—has been heavily influenced by the financial sector, and Treasury has made no secret of that. As Neel Kashkari, a senior Treasury official under both Henry Paulson and Tim Geithner (and a Goldman alum) told Congress in March, “We had received inbound unsolicited proposals from people in the private sector saying, ‘We have capital on the sidelines; we want to go after [distressed bank] assets.’” And the plan lets them do just that: “By marrying government capital—taxpayer capital—with private-sector capital and providing financing, you can enable those investors to then go after those assets at a price that makes sense for the investors and at a price that makes sense for the banks.” Kashkari didn’t mention anything about what makes sense for the third group involved: the taxpayers.

Even leaving aside fairness to taxpayers, the government’s velvet-glove approach with the banks is deeply troubling, for one simple reason: it is inadequate to change the behavior of a financial sector accustomed to doing business on its

own terms, at a time when that behavior *must* change. As an unnamed senior bank official said to *The New York Times* last fall, “It doesn’t matter how much Hank Paulson gives us, no one is going to lend a nickel until the economy turns.” But there’s the rub: the economy can’t recover until the banks are healthy and willing to lend.

THE WAY OUT

Looking just at the financial crisis (and leaving aside some problems of the larger economy), we face at least two major, interrelated problems. The first is a desperately ill banking sector that threatens to choke off any incipient recovery that the fiscal stimulus might generate. The second is a political balance of power that gives the financial sector a veto over public policy, even as that sector loses popular support.

Big banks, it seems, have only gained political strength since the crisis began. And this is not surprising. With the financial system so fragile, the damage that a major bank failure could cause—Lehman was small relative to Citigroup or Bank of America—is much greater than it would be during ordinary times. The banks have been exploiting this fear as they wring favorable deals out of Washington. Bank of America obtained its second bailout package (in January) after warning the government that it might not be able to go through with the acquisition of Merrill Lynch, a prospect that Treasury did not want to consider.

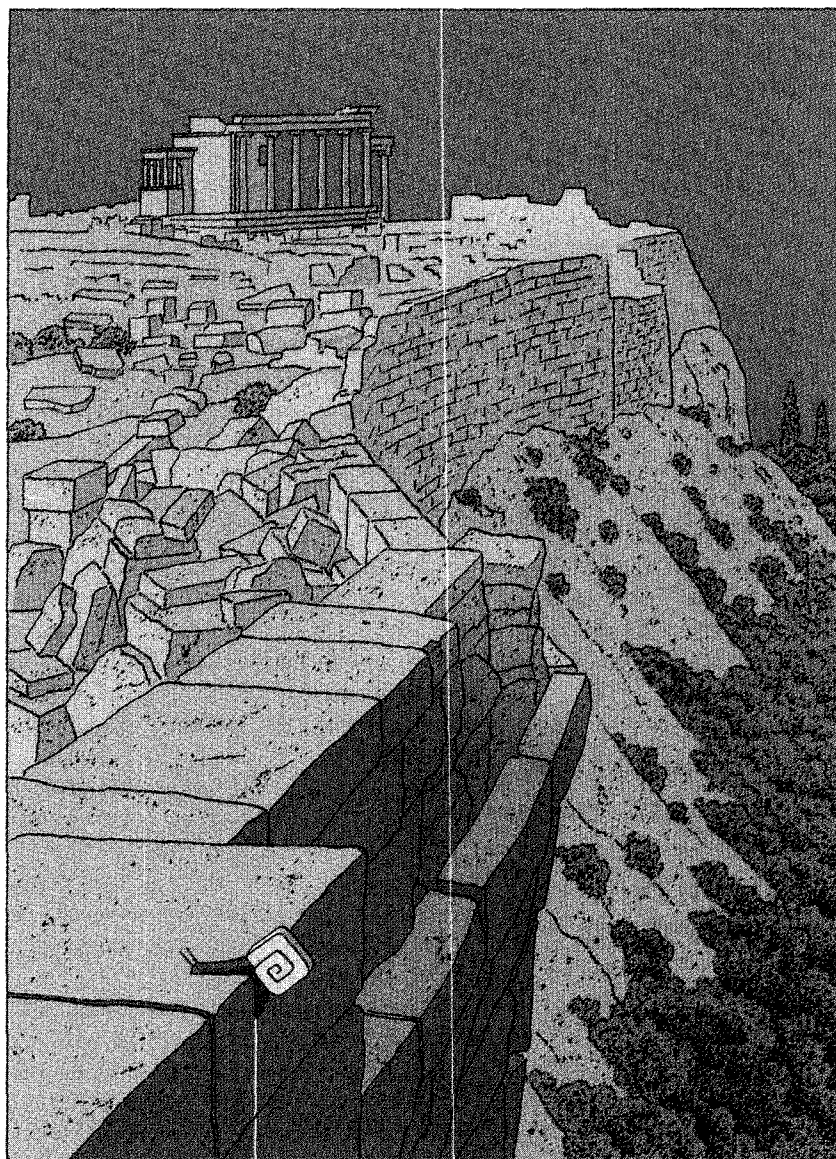
The challenges the United States faces are familiar territory to the people at the IMF. If you hid the name of the country and just showed them the numbers, there is no doubt what old IMF hands would say: nationalize troubled banks and break them up as necessary.

In some ways, of course, the government has already taken control of the banking system. It has essentially guaranteed the liabilities of the biggest banks, and it is their only plausible source of capital today. Meanwhile, the Federal Reserve has taken on a major role in providing credit to the

economy—the function that the private banking sector is supposed to be performing, but isn’t. Yet there are limits to what the Fed can do on its own; consumers and businesses are still dependent on banks that lack the balance sheets and the incentives to make the loans the economy needs, and the government has no real control over who runs the banks, or over what they do.

At the root of the banks’ problems are the large losses they have undoubtedly taken on their securities and loan portfolios. But they don’t want to recognize the full extent of their losses, because that would likely expose them as insolvent. So they talk down the problem, and ask for handouts that aren’t enough to make them healthy (again, they can’t reveal the size of the handouts that would be necessary for that), but are enough to keep them upright a little longer. This behavior is corrosive: unhealthy banks either don’t lend (hoarding money to shore up reserves) or they make desperate gambles on high-risk loans and investments that could pay off big, but

The conventional wisdom among the elite is still that the current slump “cannot be as bad as the Great Depression.” This view is wrong.



probably won't pay off at all. In either case, the economy suffers further, and as it does, bank assets themselves continue to deteriorate—creating a highly destructive vicious cycle.

To break this cycle, the government must force the banks to acknowledge the scale of their problems. As the IMF understands (and as the U.S. government itself has insisted to multiple emerging-market countries in the past), the most direct way to do this is nationalization. Instead, Treasury is trying to negotiate bailouts bank by bank, and behaving as if the banks hold all the cards—contorting the terms of each deal to minimize government ownership while forswearing government influence over bank strategy or operations. Under these conditions, cleaning up bank balance sheets is impossible.

Nationalization would not imply permanent state ownership. The IMF's advice would be, essentially: scale up the standard Federal Deposit Insurance Corporation process.

An FDIC “intervention” is basically a government-managed bankruptcy procedure for banks. It would allow the government to wipe out bank shareholders, replace failed management, clean up the balance sheets, and then sell the banks back to the private sector. The main advantage is immediate recognition of the problem so that it can be solved before it grows worse.

The government needs to inspect the balance sheets and identify the banks that cannot survive a severe recession. These banks should face a choice: write down your assets to their true value and raise private capital within 30 days, or be taken over by the government. The government would write down the toxic assets of banks taken into receivership—recognizing reality—and transfer those assets to a separate government entity, which would attempt to salvage whatever value is possible for the taxpayer (as the Resolution Trust Corporation did after the savings-and-loan debacle of the 1980s). The rump banks—cleansed and able to lend safely, and hence trusted again by other lenders and investors—could then be sold off.

Cleaning up the megabanks will be complex. And it will be expensive for the taxpayer; according to the latest IMF numbers, the cleanup of the banking system would probably cost close to \$1.5 trillion (or 10 percent of our GDP) in the long term. But only decisive government action—exposing the full extent of the financial rot and restoring some set of banks to publicly verifiable health—can cure the financial sector as a whole.

This may seem like strong medicine. But in fact, while necessary, it is insufficient. The second problem the U.S. faces—the power of the oligarchy—is just as important as the immediate crisis of lending. And the advice from the IMF on this front would again be simple: break the oligarchy.

Oversize institutions disproportionately influence public policy; the major banks we have today draw much of their power from being too big to fail. Nationalization and reprivatization would not change that; while the replacement of the bank executives who got us into this crisis would be just and sensible, ultimately, the swapping-out of one set of powerful managers for another would change only the names of the oligarchs.

Ideally, big banks should be sold in medium-size pieces, divided regionally or by type of business. Where this proves impractical—since we'll want to sell the banks quickly—they could be sold whole, but with the requirement of being

BOSE

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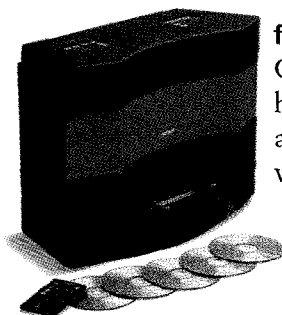
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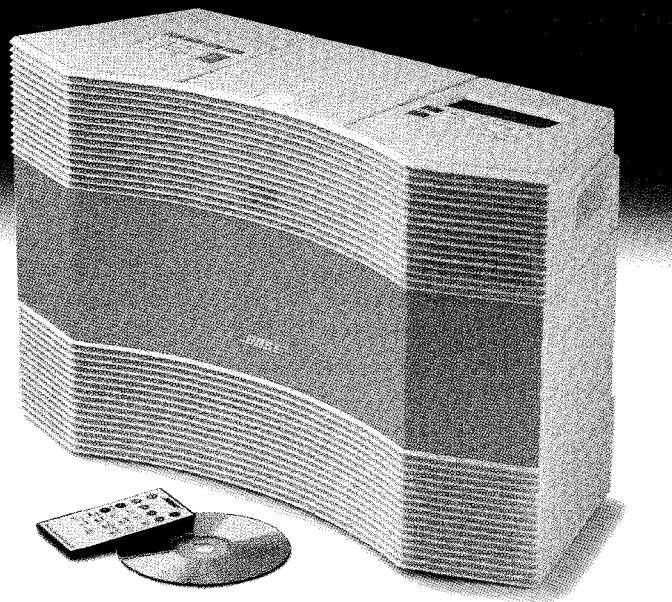
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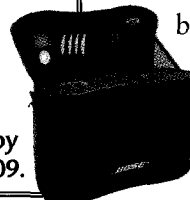


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broken up within a short time. Banks that remain in private hands should also be subject to size limitations.

This may seem like a crude and arbitrary step, but it is the best way to limit the power of individual institutions in a sector that is essential to the economy as a whole. Of course, some people will complain about the “efficiency costs” of a more fragmented banking system, and these costs are real. But so are the costs when a bank that is too big to fail—a financial weapon of mass self-destruction—explodes. Anything that is too big to fail is too big to exist.

To ensure systematic bank breakup, and to prevent the eventual reemergence of dangerous behemoths, we also need to overhaul our antitrust legislation. Laws put in place more than 100 years ago to combat industrial monopolies were not designed to address the problem we now face. The problem in the financial sector today is not that a given firm might have enough market share to influence prices; it is that one firm or a small set of interconnected firms, by failing, can bring down the economy. The Obama administration’s fiscal stimulus evokes FDR, but what we need to imitate here is Teddy Roosevelt’s trust-busting.

Caps on executive compensation, while redolent of populism, might help restore the political balance of power and deter the emergence of a new oligarchy. Wall Street’s main attraction—to the people who work there and to the government officials who were only too happy to bask in its reflected glory—has been the astounding amount of money that could be made. Limiting that money would reduce the allure of the financial sector and make it more like any other industry.

Still, outright pay caps are clumsy, especially in the long run. And most money is now made in largely unregulated private hedge funds and private-equity firms, so lowering pay would be complicated. Regulation and taxation should be part of the solution. Over time, though, the largest part may involve more transparency and competition, which would bring financial-industry fees down. To those who say this would drive financial activities to other countries, we can now safely say: fine.

TWO PATHS

To paraphrase Joseph Schumpeter, the early-20th-century economist, everyone has elites; the important thing is to change them from time to time. If the U.S. were just another country, coming to the IMF with hat in hand, I might be fairly optimistic about its future. Most of the emerging-market crises that I’ve mentioned ended relatively quickly, and gave way, for the most part, to relatively strong recoveries. But this, alas, brings us to the limit of the analogy between the U.S. and emerging markets.

Emerging-market countries have only a precarious hold on wealth, and are weaklings globally. When they get into trouble, they quite literally run out of money—or at least out of foreign currency, without which they cannot survive. They *must* make difficult decisions; ultimately, aggressive action is baked into the cake. But the U.S., of course, is the world’s most powerful nation, rich beyond measure, and blessed with the exorbitant privilege of paying its foreign debts in its own currency, which it can print. As a result, it could very well stumble along for years—as Japan did during its lost

decade—never summoning the courage to do what it needs to do, and never really recovering. A clean break with the past—involving the takeover and cleanup of major banks—hardly looks like a sure thing right now. Certainly no one at the IMF can force it.

In my view, the U.S. faces two plausible scenarios. The first involves complicated bank-by-bank deals and a continual drumbeat of (repeated) bailouts, like the ones we saw in February with Citigroup and AIG. The administration will try to muddle through, and confusion will reign.

Boris Fyodorov, the late finance minister of Russia, struggled for much of the past 20 years against oligarchs, corruption, and abuse of authority in all its forms. He liked to say that confusion and chaos were very much in the interests of the powerful—letting them take things, legally and illegally, with impunity. When inflation is high, who can say what a piece of property is really worth? When the credit system is supported by byzantine government arrangements and back-room deals, how do you know that you aren’t being fleeced?

Our future could be one in which continued tumult feeds the looting of the financial system, and we talk more and more about exactly how our oligarchs became bandits and how the economy just can’t seem to get into gear.

The second scenario begins more bleakly, and might end that way too. But it does provide at least some hope that we’ll be shaken out of our torpor. It goes like this: the global economy continues to deteriorate, the banking system in east-central Europe collapses, and—because eastern Europe’s banks are mostly owned by western European banks—justifiable fears of government insolvency spread throughout the Continent. Creditors take further hits and confidence falls further. The Asian economies that export manufactured goods are devastated, and the commodity producers in Latin America and Africa are not much better off. A dramatic worsening of the global environment forces the U.S. economy, already staggering, down onto both knees. The baseline growth rates used in the administration’s current budget are increasingly seen as unrealistic, and the rosy “stress scenario” that the U.S. Treasury is currently using to evaluate banks’ balance sheets becomes a source of great embarrassment.

Under this kind of pressure, and faced with the prospect of a national and global collapse, minds may become more concentrated.

The conventional wisdom among the elite is still that the current slump “cannot be as bad as the Great Depression.” This view is wrong. What we face now could, in fact, be worse than the Great Depression—because the world is now so much more interconnected and because the banking sector is now so big. We face a synchronized downturn in almost all countries, a weakening of confidence among individuals and firms, and major problems for government finances. If our leadership wakes up to the potential consequences, we may yet see dramatic action on the banking system and a breaking of the old elite. Let us hope it is not then too late. **A**

Simon Johnson, a professor at MIT’s Sloan School of Management, was the chief economist at the International Monetary Fund during 2007 and 2008. He blogs about the financial crisis at baselinescenario.com, along with James Kwak, who also contributed to this essay.

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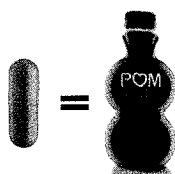
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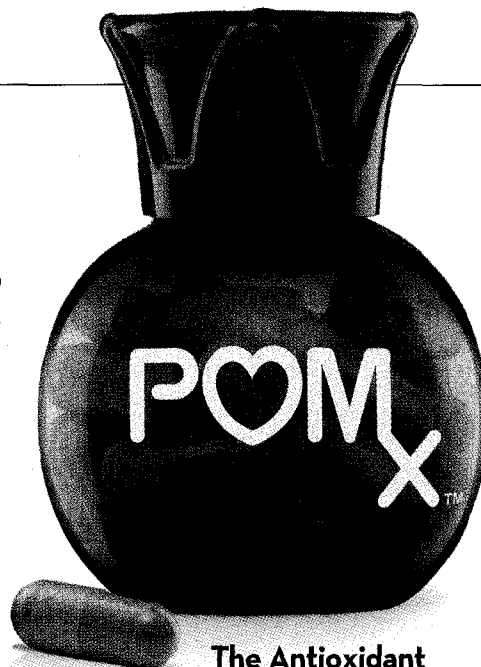
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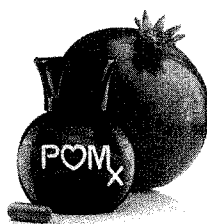
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Cash Machine

THE FISCAL STIMULUS IS PUNY COMPARED WITH THE ACTIONS THE FED HAS BEEN TAKING BEHIND CLOSED DOORS.

By Timothy Lavin

Graphics by Jess Bachman

AS THE HOUSING collapse has turned into a financial crisis, and the financial crisis into an economic calamity, the government has tried furiously to keep the country free of breadlines and trash-can fires. Two of its interventions—the \$700 billion bank bailout known as TARP and the \$787 billion stimulus package—have inspired levels of partisan acrimony and journalistic scrutiny befitting a war vote. But neither of those initiatives, expensive as they are, approach the civic munificence displayed by the Federal Reserve.

In the past year, the Fed has undertaken interventions in the economy broader and deeper than anything attempted since its founding in 1913. And with the credit system paralyzed, the central bank increasingly looks like the lender of both first and last resort. But the Fed's actions have stirred nothing like the debate surrounding TARP or the stimulus (pictured in detail below). And the particulars of its schemes remain almost entirely obscure.

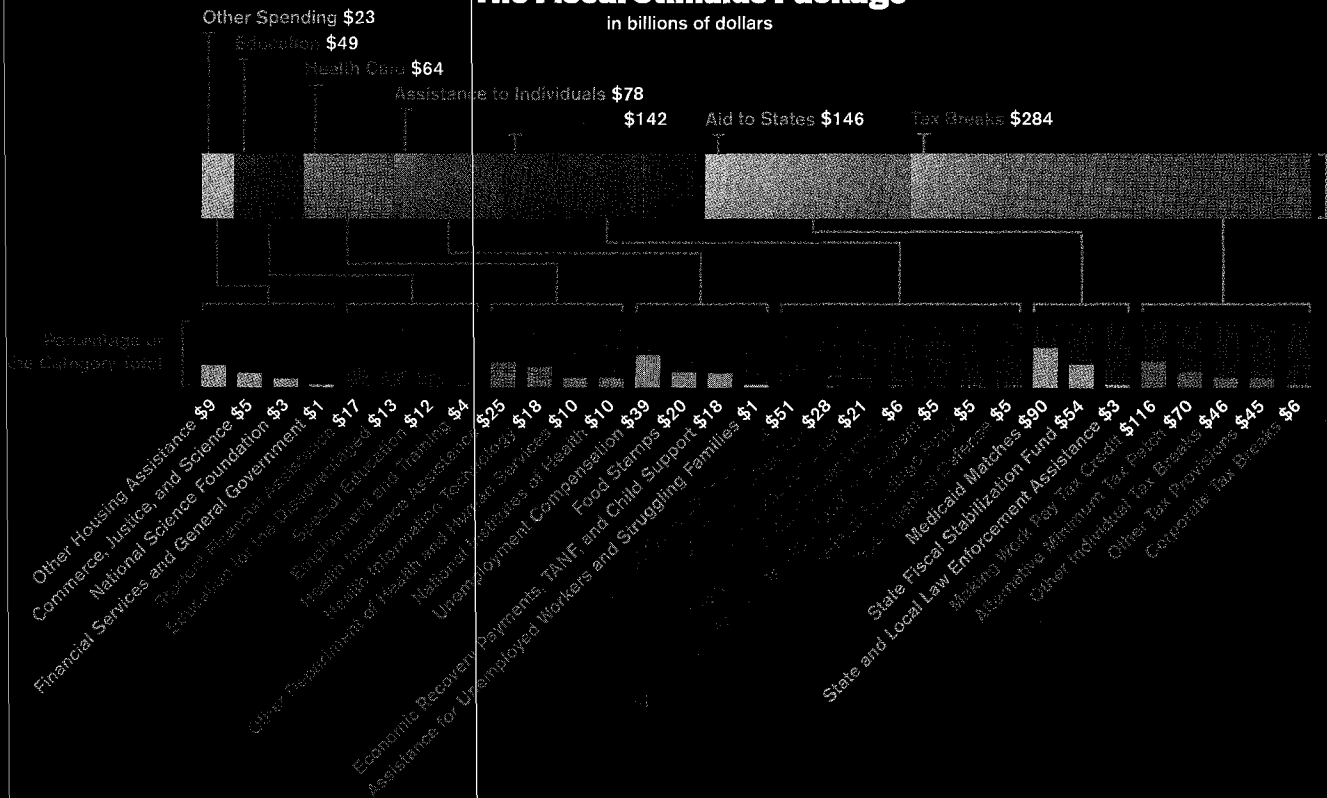
Through a dozen programs introduced since the crisis began, the Fed will be on the hook for trillions of

dollars in loans, bailouts, and asset purchases. The government expects to be repaid for most of these commitments, of course, with interest. But that's the tricky part. Largely unencumbered by congressional meddling, the Fed has in most cases refused to reveal the beneficiaries of its largesse—or what assets they've used as collateral—lest panicky investors and depositors lose faith. As a result, outside the walls of the Eccles Building, almost no one knows how sound those loans really are. ■

Timothy Lavin is an Atlantic associate editor.

The Fiscal Stimulus Package

in billions of dollars



Line items show the allocation of most of the spending in each category; typically, the items shown are the most heavily funded.

SOURCES: FEDERAL RESERVE BANK OF NEW YORK, MILKEN INSTITUTE, U.S. BUDGET WATCH

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INTELLIGENT LIFE surely exists on some of the planets beyond our solar system. But we've scarcely begun to look for it. With NASA dithering and corporate titans more interested in space tourism, a serious exploration of the stars is limited more by a lack of vision than of technology. But a few scientists think they can use the sun's light to cheaply propel an unmanned craft deep into the interstellar ether. Their vision may be quixotic, and their first attempt failed. But what will it mean for our solipsistic species if they succeed next time?

ACROSS THE UNIVERSE

By Thomas Mallon

THE COSMIC GAME changed forever in 1992. Before then, logic told us that there had to be other planets besides the nine (if you still count poor Pluto) in our solar system, but until that year, when two astronomers detected faint, telltale radio signals in the constellation Virgo, we had no hard evidence of their existence. Now, 17 years later, thanks to advancing means of astronomical detection, we are fairly certain of more than 300 "exoplanets," including a five-planet system that orbits star 55 Cancri in the constellation Cancer, 41 light-years away. Stars, of course, are too hot to support life, so wherever life might exist in the universe, it has to be on planets or moons that are warmed, but not incinerated, by the stars they travel around. Well, one of 55 Cancri's five planets may be temperate enough to support life.

The exponential vastness of the universe tells us—if we apply reasonable, conservative inference—that there have to be billions more exoplanets besides the hundreds now confirmed. Simple back-of-the-envelope arithmetic will demonstrate the new inconceivability of our being the only intelligent beings in the universe. No, the Others are not about to come here, and we're not about to go to them—not in person—but they're there. And yet, even so, humankind's sense of itself here on Earth has yet to undergo the sea change suggested by the facts.

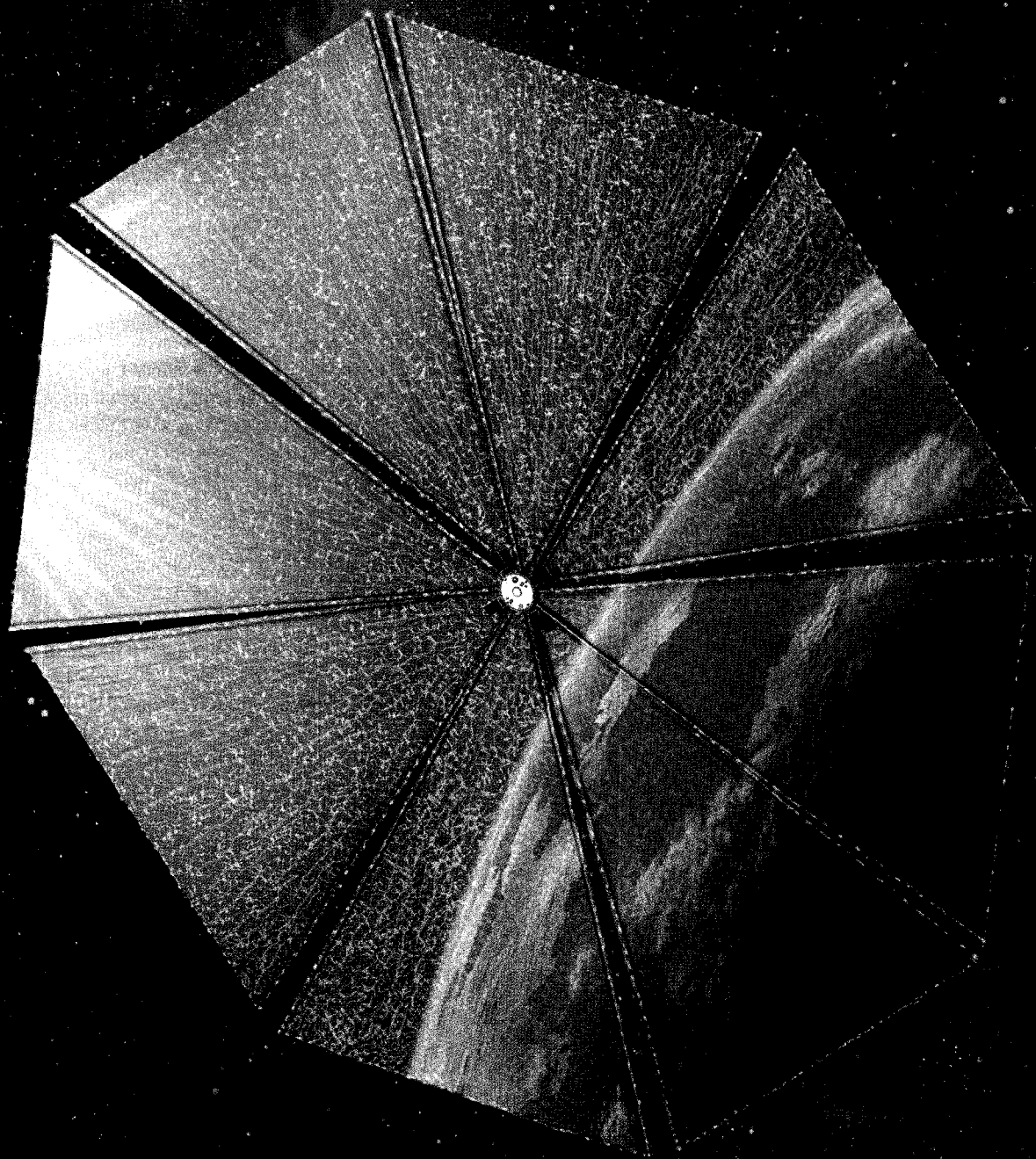
Should we feel encouraged by our new awareness? Perhaps diminished? Suffice it to say humanity hasn't given it a thought. Most of us, instead of looking outward, have spent the past 17 years sewing ourselves into an earthbound straitjacket of cell-phoned, instant-messaged, Internetted

connectedness that has made the species more solipsistic than ever. Forget jihad and global warming; we may just talk ourselves to death. One almost wonders whether all our endless communication about nothing, this clinging together, isn't some fearful, subconscious response to our new knowledge that other civilizations have got to be out there, perhaps some that can run celestial rings around us. Are we afraid of what we newly know? Is that why we give it no serious reflection?

LAST SPRING, NASA scored a big success when its *Phoenix* probe landed on Mars, dug a little trench, and uncovered ice, with all its life-sustaining implications. And yet, however significant this achievement is, the agency is still decades away from sending humans to that planet—and well past the time by which it was once expected to have sent them.

Having had the shuttle, an orbiting millstone, around its neck for almost 30 years, NASA is now supposed to move on to a new generation of spacecraft that will take us back to the moon—it's been 37 years since anyone set foot there—and then to Mars. This was President Bush's Vision for Space Exploration, propounded in 2004, and it now belongs to President Obama. Although he started his campaign with a kind of anti-space policy that was a footnote to his education plans—he would delay the development of new craft for five years and spend the savings on the nation's schools—Obama soon enough got with the existing program and called for efforts to "expedite the development of the Shuttle's successor systems."

Between the shuttle's planned retirement in 2010 and a new system's development, the U.S. government will have to



An optimistic rendering of Cosmos 1, in full bloom, sailing among the stars. The Planetary Society thinks that with \$4 million and a little vision, it can leave the solar system behind.

rely on the old Soviet Soyuz to get crews and supplies up to the International Space Station. Worse, the first of our own new launch vehicles, Ares 1, is already beginning to look unreliable, at least in tests. American politicians now mostly avoid the old conditional trope "If we can put a man on the moon"—because we can't, not anymore.

The Vision for Space Exploration really doesn't have any; nor does NASA. In 2002, the agency shut down its Breakthrough Propulsion Physics program, whose scientists had been allowed to brainstorm such far-out notions as wormholes and warp drives; five years later, the agency closed its Institute for Advanced Concepts, a less mind-blowing outfit but one that also encouraged thinking light-years down the road.

Even the most spectacular unmanned successes of the American space program—from the *Voyager* probes of the '70s to the *Galileo* and *Cassini* missions of the '90s—seem to belong to a fading worldview. A desire to *explore*, even by mechanical proxy, is now a self-indulgence to be resisted, since the end result would only be the imperial spreading of that pollutant known as humankind. In the new view, people have made such a mess of things here that we have no right to any more of the universe, and certainly not to a "backup planet," which some space enthusiasts have suggested as the ultimate hedge against environmental catastrophe on Earth.

But just suppose—it's reasonable to—that such a place exists. Is it then remotely reasonable that not a particle of the Vision for Space Exploration is devoted to sailing an earthly machine over the vast distance between here and there—either to confirm its existence or to let it know of ours?

Two groups of well-credentialed space scientists, one in California and another in Russia—mostly veterans of long-ago space triumphs by NASA and the Soviet program—believe that the first frail, shiny prototype of an interstellar flying machine has been lying on the floor of the Barents Sea since June 21, 2005.

ALMOST EVERYBODY SEEMED to detect *something*—a signal that the spacecraft was in orbit and ready to deploy its visionary cargo. The Volna rocket had risen out of the water, flown through the sky, and pierced the low-lying clouds. The Volna, a Soviet-era ICBM, had been refitted for peaceful duty, and on this first day of summer, it was lifting *Cosmos 1* up from a Russian submarine and toward Earth orbit. If the spacecraft got there, it would deploy eight tissue-thin "blades," 600 square meters of Mylar that would catch the sun and begin propelling the craft, on nothing but light, through humankind's first solar-sailing voyage. The ship, beautiful as a flower or firework, would be controlled from the ground by two teams, each so small that Mission Operations Moscow was called MOM and Project Operations Pasadena was POP.

Louis Friedman, the head of the Planetary Society, the mission's chief sponsor, and Viacheslav "Slava" Linkin, the payload and electronics man, received word in Moscow that Doppler data from the Kamchatka tracking station suggested orbital insertion. Viktor Kerzhanovich, listening from Majuro in the Marshall Islands, also detected a signal,

however weak. Trackers in the Czech Republic picked up something, too. But then, nothing.

In fact, the spacecraft never made it into orbit. The Volna, that formidable Cold War sword, had proved a less than reliable plowshare, making for a failure that was bitterly beside the point: the chemically propelled brute-force rocket was the trouble, not the beautiful Icarian blades that never got a chance to be tested.

Friedman put the best face on things in a report to members of the Planetary Society and the larger space community—"We conducted the first space mission by a privately funded space-interest group"—but nearly four years later the memory of the false signals still taunts him. Solar sailing, probably the only means by which manmade vehicles will ever travel to the stars, still awaits what believers call its "Kitty Hawk moment." Friedman continues to work in Pasadena and rack up mileage to Moscow, determined to keep his Russian-American team together, to raise another \$4 million, to build *Cosmos 2*, and, if possible, to unfurl its silver sails before—well, a little after—this decade is out.

At 68, he remains gently and compulsively humorous, his Bronx-born voice and manner a less manic version of Mel Brooks's. After getting his doctorate in aeronautics and astronautics from MIT, Friedman spent the 1970s in Pasadena at the Jet Propulsion Laboratory, where he was involved in the greatest of all unmanned space achievements, the "Grand Tour" of the planets by NASA's two *Voyager* spacecraft. While at JPL, he also was the head of a study group that investigated the possibility of sending a solar-sailing spacecraft to rendezvous with Halley's Comet during its once-in-a-lifetime flyby in 1986. In the end, there wasn't time to get the mission up and running, but the project left Friedman convinced of solar sailing's feasibility. He has hung on to the idea and kept it alive ever since he founded the Planetary Society, along with Carl Sagan and JPL's Bruce Murray, in 1980. A natural cheerleader with a gift for colorful explanations, he remains the executive director of an organization that combines space advocacy with actual small-scale missions. "We're not trying to be another NASA," he says, "but we do show the value of being able to come up with clever things that interest the public, that are scientifically solid."

Putting a microphone on Mars was one of them; alas, NASA's *Mars Polar Lander*, on which the microphone traveled, perished during its descent to the Red Planet in 1999. Studying the "Pioneer anomaly" is another: TPS is funding work to explain why the last data to come back from the old *Pioneer 10* and *11* space probes, launched decades ago and by now moving out of the solar system, showed slight, unexpected slowdowns by both craft. Is some physical force that we don't know about operating at those reaches?

A test of solar sailing fits in with all of this, says Friedman: it's of sufficient scientific soundness, and on a small enough scale, that the Planetary Society can take the lead. A wooden carriage house behind the society's headquarters in Pasadena still bears the sign COSMOS 1: PROJECT OPERATIONS—PASADENA. It's just waiting for a change of numeral.

"There's no free launch," Friedman likes to say, and the Planetary Society has wound up paying dearly for its decision to go with the Volna. The rocket's Russian suppliers "knew

they had a design problem,” but even after the flaw was discovered, *Cosmos 1* got strapped onto a Volna from an old, unrepaired batch. TPS is now likely to launch *Cosmos 2* on a Soyuz, the more reliable workhorse from Soviet days.

In March of 2008, I sat down in the carriage house with Friedman and two other members of his solar-sailing team: Harris “Bud” Schurmeier, the retired project manager on the old *Voyager* missions; and Viktor Kerzhanovich, whose long career in both Russia and America has earned him the U.S.S.R. State Prize and more than one NASA Group Achievement Award. If the Planetary Society tends to exhort its more than 50,000 members in sonorous terms, conversation in the carriage house was speculative and playful. Throughout the morning, the years fell away from the three old-timers eager to tell a visitor about how solar sailing works—and to spar a bit.

“Light has energy,” said Friedman. “That you can’t argue with.”

“More important,” said Kerzhanovich, “it has momentum.”

“Therefore it has a force,” added Friedman.

“You’re using the energy of light, and the force derived thereof, to transfer momentum of light energy to your vehicle, in order to propel the spacecraft. Basically your spacecraft, your solar sail, looks like a sail, but it really is a mirror. And so it’s reflecting the light, and that reflection is where the momentum transfer occurs.” If the mirror were fixed to a wall, there would be no transfer. But in free space, with no gravity and no air pressure? You’re off to the cosmic races.

“It’s not the solar wind,” Friedman reminded me.

“Things got named wrong,” said Schurmeier. However pretty it sounds, “sailing” is really a metaphor. There *is* such a thing as solar wind, but as Friedman explained, “Solar wind is electrons and protons that come from the sun, and they have mass, but they go very much slower than light.”

It’s photons, not protons, that we’re talking about?

“Right,” said Friedman. “Photons have no mass, they’re all energy. You do get a force from the solar wind, but it’s about a thousand times less than the force you get from this reflection. You turn your mirror in different directions, you can point the force in any direction you want!”

Not everyone concedes even the basics. The late Thomas Gold, of Cornell’s Center for Radiophysics and Space Research, had insisted that solar sailing would never work, for the same reasons you cannot have a perpetual-motion machine: Carnot’s rule and the iron second law of thermodynamics. No machine can extract an unlimited supply of free energy from any source; a certain “degradation” has to occur. And the problem is even more fundamental than that, Gold argued: the beautiful Mylar blades of *Cosmos 1*, or 2, will be too splendid to function, period. With “a perfect mirror, the two temperatures”—of the sails and the sun—“will be the same,” Gold reasoned. “And it follows that the mirror cannot act as a heat engine at all: no free energy can be obtained from the light.”

Not so, countered Benjamin Diedrich in *New Scientist*. “Light pressure does work.” Solar sails are an “open system,”

not the kind of “closed-loop heat engines” that Carnot had in mind.

The whole concept has been waiting for its trial for a century and more. Friedrich Tsander and Konstantin Tsiolkovsky, two Russian space scientists, first wrote about solar sailing’s possibilities in the 1920s, 40 years after theories were put forth as to how the tails of comets, which generally point away from the sun, actually grow from the pressure of the sun’s light.

The romantic appeal of solar sailing has ensured that its advocates consistently come from the worlds of both science fiction and science fact. An anthology of writings on the subject, published in 1990, counted Sir Arthur C. Clarke as well as Friedman among its contributors, and even hard-science writing on the subject tends to kick into utopian overdrive. In his 1992 book, *Space Sailing*, Jerome L. Wright, the engineer who brought the Halley-rendezvous idea to Friedman at JPL, wrote of how solar vehicles “can move us away from single

use, disposable interplanetary spacecraft,” as if the latter were already on the celestial road, like SUVs we can now replace with Priuses.

Friedman doesn’t know whether interstellar flight—by machines, not humans—will occur within 200 years or 500. But “the idea that we go interstellar” is not, he says, “a hard sell.” In fact, it’s usually this possibility—connected to people’s slumbering curiosity about the chances that intelligent life exists elsewhere in the universe—that winds up exciting the greatest lay interest in solar sailing. In one of his newsletters to TPS supporters, Friedman looks toward the technology’s long-term, astral future. Once a sailing vehicle leaves the solar system, it will run out of gas—that is, sunlight—and space-

based lasers, put into orbit around the planets, would have to keep beaming the necessary juice over vast distances. “Not easy,” says Friedman. “But not the province of fantasy, either.” Even 20 years ago, in his book *Starsailing*, he was touting one laser scheme that could get a solar-sailing vehicle with a “1-ton payload to the Alpha-Centauri system in 40 years or even a bit less.”

NASA representatives did take a late-breaking interest in *Cosmos 1*—a number of them showed up at TPS for the launch—and the space agency has been involved with the testing of atmospheric drag on a solar “nanosail.” They’ve even asked TPS for some collaboration. But that’s hardly the same as a full-blown test of sun-powered, ground-controlled flight in an orbit 500 miles above the Earth. The European Space Agency has walked away from the solar-sailing plans it once had, for the same reason that NASA remains uninvolved: there’s no money for testing a technology that can’t be applied, near-term, to a specific mission.

Friedman’s teams are really waiting for a first answer, not a last: whether *Cosmos 2* will fly, financially and then physically. If it succeeds in getting aloft, with its sails unfurled, it will intermittently be a very bright object to the observant naked eye on Earth. But the project team will need a close-up, detailed look, not just an appreciative glimpse. They hope to

According to the third of Clarke’s three laws, “Any sufficiently advanced technology is indistinguishable from magic.” But even magic requires money.

record, maybe even from the International Space Station, a kind of childbirth movie that will allow them to see exactly how the sails open, and whether they operate properly or fall victim to some as-yet-unknown instability.

AS FRIEDMAN, SCHURMEIER, and Kerzhanovich sat talking in the carriage house, none of them knew that far away, in Sri Lanka, Arthur C. Clarke, 90 years old and one of solar sailing's greatest advocates, was living the last week of his life.

According to the third of Clarke's three laws, promulgated in the early 1960s, "Any sufficiently advanced technology is indistinguishable from magic." But even magic requires money, and corporate sponsorship has eluded both *Cosmos 1* and 2 for any number of reasons that Friedman can suggest. They include a reluctance to be associated with possible failure and an aversion to being associated with Russia. Kerzhanovich will joke about how the project should ask for support from "the *other* Friedman," a Russian oil billionaire who spells his name without an *e*. But even he, or some risk-friendly American businessman, wouldn't be able to get his company logo emblazoned on *Cosmos 2*'s giant Mylar blades: the temperature variations that would result from the application of huge words and images make the idea infeasible.

For most of the past 10 years, solar sailing's chief fundraiser has been the writer and film producer Ann Druyan, Carl Sagan's widow. In the first years of their marriage, Druyan oversaw the crafting of the recorded greetings from Earth that went along on the *Voyagers* Bud Schurmeier dispatched

through the solar system. She has known Friedman for decades, and when he called on her during *Cosmos 1*'s early financial difficulties, she decided: "Come hell or high water, I would find a way to do this." She would, she says, make *Cosmos 1* her Taj Mahal to Sagan.

Druyan provided the project with funds from her own Cosmos Studios, hoping to make some of the money back by producing films and programming about the mission. She also secured big donations from Joe Firmage, the Internet entrepreneur, and Peter Lewis, an insurance billionaire and left-leaning philanthropist from Cleveland. But conventional corporate sponsorship proved impossible. "What really struck me was the paucity of vision in American business," Druyan said.

Nonetheless, she is still at it for *Cosmos 2*, seizing opportunities to talk up the project with figures like Sumner Redstone at venues like the Seoul Digital Forum. The Discovery Channel did put up a quarter million dollars to jump-start the renewed effort, and she has her fingers crossed for a few big potential donors she can't really talk about. Even so, she can't get over the general timidity and lack of imagination she keeps encountering, and she's particularly aghast at the scads of cash some ego-tripping big-money men seem willing to spend on personal space tourism: "Isn't the whole planet enough for them?" Google's Sergey Brin—whose company the project also appealed to, unsuccessfully, years ago—is yet another billionaire who hopes to romp around in orbit.

Cosmos 2 does have a few practical selling points, most of them unfortunately far down the line. It could lead to the launch of a solar-sailing ship toward Earth-Sun L1—the "libration point" between the two bodies, where the gravitational pull of one is in balance with the other, allowing a spacecraft to hover as a kind of solar weather station, providing valuable notice of when the sun's flarings might next disrupt power and communications grids back on Earth.

The green appeal of solar sailing—traveling by light, once chemical propellants have done their dirty job of orbital insertion—ought to be powerful. A project like this, Druyan says, could ultimately point humanity away from its whole "spoiled, choking, polluted, tragic future." But when she was pitching *Cosmos 1*, she could not get support even from Qwest, the communications company that up until 2002 used "Ride the light" as its slogan.

LAVOCHKIN, THE STORIED Russian aerospace company, is located on the northern outskirts of Moscow, along the congested road to Sheremetyevo airport, near where the German army's advance was halted in late 1941. A lot of the company's buildings are grim and battered, like worn shipping containers, and a bust of Lenin near the visitors' gate remains on its pedestal, not far from a pretty, new, onion-domed chapel for the use of employees who are believers. This coexistence of gods, like so much in Putin's Russia, where the sullen young lean against subway walls still heroically festooned with the hammer-and-sickle, seems less peaceful than simply unresolved.

CELEBRATION

Seeing, in April, hostas unfurl like arias,
and tulips, white cups inscribed with licks of flame,
gaze feverish, grown almost to my waist,
and the oak raise new leaves for benediction,
I mourn for what does not come back: the movie theater—
reels spinning out vampire bats, last trains,
the arc of Chaplin's cane, the hidden doorways—
struck down for a fast-food store; your rangy stride;
my shawl of hair; my mother's grand piano.
My mother.

How to make it new,
how to find the gain in it? Ask the sea
at sunrise how a million sparks can fly
over dead bones.

—Grace Schulman

Grace Schulman's most recent collection is *The Broken String* (2007). She teaches at Baruch College, in New York City.

When I follow Lou Friedman around on a trip to Moscow some months after our conversation in Pasadena, both of us are mindful of how much a reinvigorated Russian space program would help restore the country's stature and swagger. The U.S. will soon be depending on Russia's rockets, but as Kerzhanovich puts it, the Russians "don't want to be just the horse for somebody." Where *Cosmos 2* is concerned, they are horse and cart—designated to build both the rocket and the payload. The Americans, having designed the mission, are supposed to come up with the money, but on this visit Friedman seems like a member of the land-poor nobility, way short of the cash required for the rig he'd like to have.

The engineering model of *Cosmos 1* still sits in a clean room at Lavochkin, and after donning lab coats and protective footwear, Friedman and I pay it a visit. Seven of the spacecraft's sails are tightly wrapped, attached to it in containers the size of shaving kits. Only one of the blades lies unfurled on the ground, a huge silver isosceles triangle edged by transparent yellow tubing that's designed to fill with gas, extend the sail, and keep it taut. The spacecraft's motor is then supposed to turn and orient the eight enormous sheets. *Cosmos 2* will require some design modifications for a ride atop the Soyuz instead of the Volna, but the goal is to keep changes to a minimum, since everything on this model had already passed thermal testing, strength testing, electrical testing, and all the rest.

Slava Linkin, with his long curly hair and graying beard, has traveled across the city from IKI, the space-research institute of the Russian Academy of Sciences, to meet us. He and Friedman go back two decades, to the time Linkin was developing a balloon experiment for a Soviet mission to Venus. Friedman stays with Linkin whenever he comes to Moscow, and between the two men one can see a genial tenderness, as well as occasional exasperation. "Lou! Lou!" Linkin will sometimes cry—the words sounding more like "Low! Low!"

But right now it's Friedman who has to make something clear. "The ball is in your court. You understand that expression?" he asks. His conversations earlier in the day with Lavochkin's general director and his deputy were less than encouraging. "We have no agreement and no firm plan." The Planetary Society may still be "absolutely committed to its goal of flying the first real solar-sail mission," as Friedman put it, but he confessed to a certain helplessness. TPS is "not a technology-development organization. That's the Russian space agency, that's NASA, that's industry, whatever. All this technology stuff is something beyond the capability of the Planetary Society." Everyone involved would agree with that, but what the society is supposed to bring, along with the mission design, is money, and Friedman hasn't got it yet.

"We had an original estimate, right after *Cosmos 1*," he reminds Linkin, "that on paper was 1.7 [million dollars], between IKI and Lavochkin. Later on, in later meetings, we came up with this new plan, and your estimate was about 1.2 ... Plus launch vehicle."

"Launch is separate," Linkin says.

"Slava," Friedman says, forcing himself to confront Lavochkin's bottom line. "The real situation is, can they work on it? If we had all our money today, could they work on it for next year? I think the answer is no."

He's right. What the Russians will no longer do is enter into a fixed-price contract—not with the dollar's value fluctuating unpredictably.

One can feel *Cosmos 2* turning from an absolute commitment to a "primary goal," the term Friedman will soon be using in the long discussion. All at once, it appears that *Cosmos 1* isn't about to be replicated so much as scaled down. Friedman says the currently available money, only several hundred thousand dollars, is "not enough to do the whole project," but "too much to fritter away on nothing." So he'll keep studying other, cheaper options than *Cosmos 2* (now called the "nominal" option), one of which could involve deploying four blades, instead of eight.

"Everything else," Friedman wanly admits, "is less satisfying" than launching *Cosmos 2* as originally planned, and maybe that self-evident fact will somehow keep the full mission alive. Ann Druyan "remains strongly optimistic," he tells the Russians. She thinks "enough is cooking" so that good news about funding will arrive soon, perhaps even in a few weeks. "But who knows?"

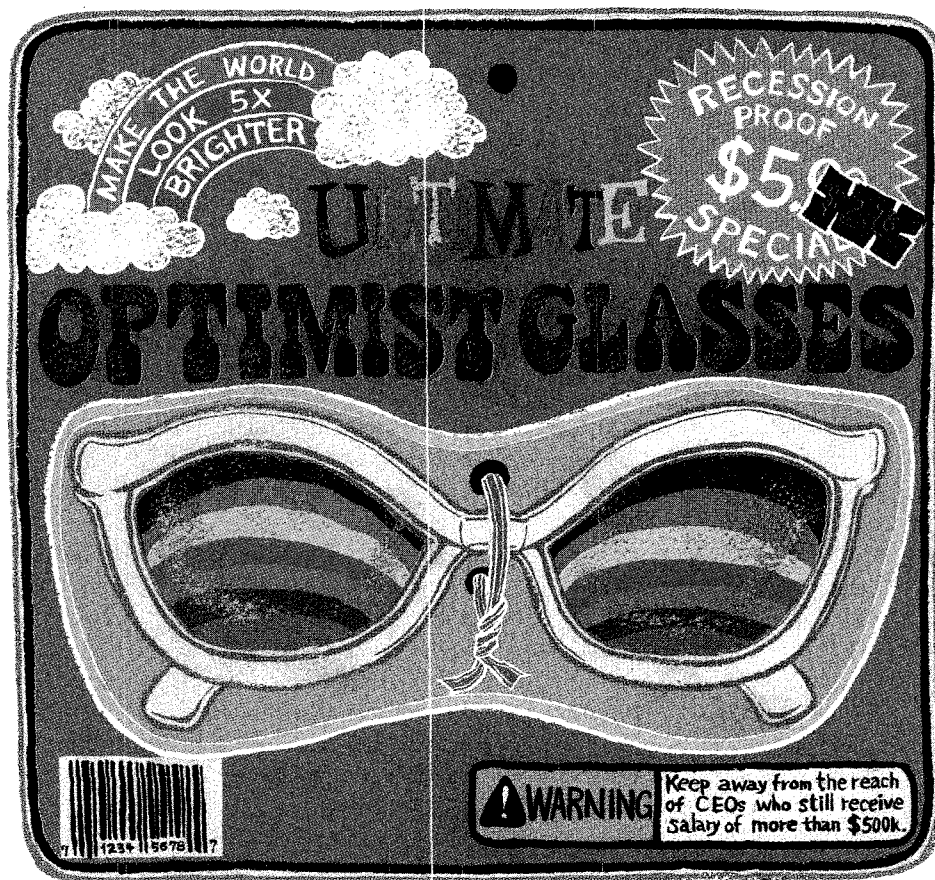
"We are waiting several months," Linkin says—as in "already waiting"—for money that could get things moving.

Later in the week, in the bleak offices of IKI, Friedman and Linkin and Sasha Lipatov, the leader of the Instrument Development Team, will spend a long, listless day having intermittent conversations and receiving occasional updates from other project participants. One can't help but think of them as a celestial variant of Chekhov's three sisters, wondering not if they'll ever get to Moscow, since they're already there, but if they'll ever get into Earth orbit and finally beyond. Still, one knows that the hours are at some level not misspent, that the desultory face-to-face conversations are all part of keeping the team together and keeping the project alive. Over dinner, at a club decorated with souvenir kitsch from Soviet times, Linkin will offer the first toast of the evening: "To sailing in space!" And Lipatov, with a smile, will override him: "No, to the contract!"

Friedman can always turn the discussion toward a folder he carries labeled LIFE. It concerns two little canisters he's also brought to Moscow, the technology model for another collaboration—funded and so far on schedule—between the Planetary Society and the Russians: the Living Interplanetary Flight Experiment, which this October will carry nonpathogenic microbes on a trip to Phobos, one of Mars's two moons, aboard a spacecraft built at Lavochkin. The samples will stay on the surface of Phobos for a few weeks before the probe returns them to Earth for a look at how they've fared—a sort of reverse test of the particular "transpermia hypothesis," that Martian life came to Earth long ago inside meteoroids.

In fact, the Phobos mission is the main business of Friedman's current trip to Moscow; solar-sail discussions have been piggybacked onto the agenda the way *Cosmos 2* hopes to catch a ride on a Soyuz devoted primarily to some other mission. The LIFE experiment is a textbook small-scale TPS project, and it's not without its own excitement, but even the name of the spacecraft that will carry it, *Phobos-Grunt*, suggests extending the human reach into space by another three yards and a cloud of cosmic dust. *Cosmos 2* would be a Hail Mary pass, an audacious leap.

GALLERY
WHAT I GOT YESTERDAY (I WISH) by Yuko Shimizu



IN LENINSKY PROSPEKT, not far from Linkin's Iki office, a statue of Yuri Gagarin is having its pedestal refurbished. In most respects the figure of the first man to reach space, rising atop a giant titanium column, is typically craptastic socialist realism: oversize millenarian muscle, chiseled to world-dominating perfection. And yet, in his sculpted spacesuit with his arms extended, the metallic Gagarin is also something more: not quite a bird, but some abstract new shape, a living figure that's tending toward the geometric. The artist, called upon to produce propaganda, strayed beyond the bounds of representation because what Gagarin did *required* it. In 1961, the human species looked as if it were beginning a metamorphosis into something new, no matter what geopolitical rivalry might have been driving the transformation. When Michael Collins, the command-module pilot of America's *Apollo 11*, pondered the meaning of the early space missions, he had no doubt as to what they were ultimately about. "Leaving," he said. Life would be stepping off this planet just as surely as it had once crawled out of the ocean and up onto land.

The *Voyager* probes are traveling out of the solar system. Asked if he sometimes considers where those ships are now, Bud Schurmeier, who helped send them on their way, says, "Oh, yes, I occasionally do," though he laughs when pressed to name their location within a billion miles. In fact, late in the summer of 2007, *Voyager 2* passed into the last gusts of

the "nominal" option even gets carried out.

"Basically, you're asking somebody to fund an idea," Friedman admits. He has good science at his back. But if 50 years ago Slava Linkin could not have imagined the disappearance of the U.S.S.R., it's fair to say that Friedman would not have imagined his own country, the Cold War's victor, with a space agency so blinkered and elephantine that he has to mount a long guerrilla operation to get his plausible vision off the ground.

He has had the same bellyful of talk about private entrepreneurial funding that Ann Druyan has, and he shares her contempt for the thrill-seeking, space-touring fat cats. But even so, a fundamental optimism survives in him, nourished not just by faith but by disbelief: "You come back to that \$4 million, and the chance to take the first step to the stars—how can that *not* be funded?"

In the sharp teeth of the new recession, Druyan is still offering potential donors the chance "to enter history," to make possible the "Kitty Hawk moment" for solar sailing, and she often points out that the price, \$4 million to \$5 million, is about what you'd pay for "a nice New York apartment." But so far she's been pointing this out to an audience that would rather stay home. ■

Thomas Mallon's books include the novels Two Moons and Aurora 7, as well as Rockets and Rodeos, a collection of essays.

the actual solar wind and moved farther toward interstellar space, its 30-year-old computers sending back data that confirmed the solar system's irregular, "dented" perimeter. The spacecraft still carries the "golden record" of Earth images and greetings that Ann Druyan and Carl Sagan helped to compose.

The record was an idea that briefly captured the public imagination, however little chance it had of an "outcome"—that is, our learning that someone had received its messages. (One joke went that, after extraterrestrials played the disc, with its samples of human music, their first message to Earth would be: "Send more Chuck Berry.") The long-term implications of *Cosmos 2* may be as thrilling as its sci-fi enthusiasts have always suggested, but for all the beauty of its open sails, its first orbital mission will still suffer from being "just a test." And that's assuming

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SKETCHBOOK

By Sage Stossel

Facebook Group: World Leaders



Kim Jong Il changed his profile picture.



Kim Jong Il



Mahmoud Ahmadinejad joined the group **People Who Always Have To Spell Their Names For Other People**.



Muammar Qaddafi is excited to nationalize Libyan oil assets.



Hugo Chávez
Bad idea.



Hugo Chávez and Hu Jintao are now friends.



Angela Merkel and Nicolas Sarkozy are now friends via the **People You May Know** tool.



Vladimir Putin is getting Russia's budget in order.



Dmitry Medvedev
Hey, where are you? Can I be in on this??



Elian Gonzalez was tagged in a photo.



Havana reunion party weekend, New Year's '09!
by Raúl Castro



Mahmoud Ahmadinejad just posted an ad for enriched uranium on Craigslist.



Nicolas Sarkozy requests that David Cameron please remove the nude pictures of Carla Bruni from his photo album.



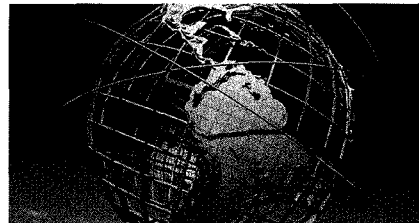
Kim Jong Il sent Lee Myung-bak and Ban Ki-moon an invitation using **Smarty Pants**:



I challenge you to a game of **Smarty Pants** trivia! I just scored 6,400 points in the game "The Smartest Pants." Think you can beat me?



Nicolas Sarkozy requests that Muammar Qaddafi please remove the nude photos of Carla Bruni from his photo album.



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■ Al Gore

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When I was your age,
Pluto was a planet

I Secretly Want to Punch
Slow-Walking People
in the Back of the Head

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Vladimir Putin became a fan of **ABBA**.



Hosni Mubarak is working on a Gaza truce proposal.



Hosni Mubarak is wondering, How do you spell "intransigent"?



Barack Obama

The second "a" should be an "i"

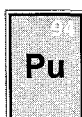


Hamid Karzai

Barack -- can you call me?



Mahmoud Ahmadinejad changed his profile picture.



Mahmoud



Hu Jintao joined the group **I Bet I Can Find a Million People Who Don't Care Michael Phelps Smoked Weed**.



Muammar Qaddafi is off to see He's Just Not That Into You.



Hamid Karzai

saw this on Saturday. Very funny!



Vladimir Putin added the **Booze Mail** application.



Vladimir Putin sent **Nicolas Sarkozy** a Vodka Stinger.



Pervez Musharraf joined the group **Deposed World Leaders Against the Deposition of World Leaders**.



Vladimir Putin sent **Shoichi Nakagawa** a Sake Bomb.



Angela Merkel is attending **G8 summit**, Wednesday, July 8.



Bill Clinton

See you there ;-)



Hillary Clinton

I don't think so.



Kim Jong Il has just launched a Taepodong missile.

WITH ITS "ISLAMIC" NUCLEAR BOMB, Taliban- and al-Qaeda-infested borderlands, dysfunctional cities, and feuding ethnic groups, Pakistan may well be the world's most dangerous country, a nuclear Yugoslavia-in-the-making. One key to its fate is the future of Gwadar, a strategic port whose development will either unlock the riches of Central Asia, or plunge Pakistan into a savage, and potentially terminal, civil war.

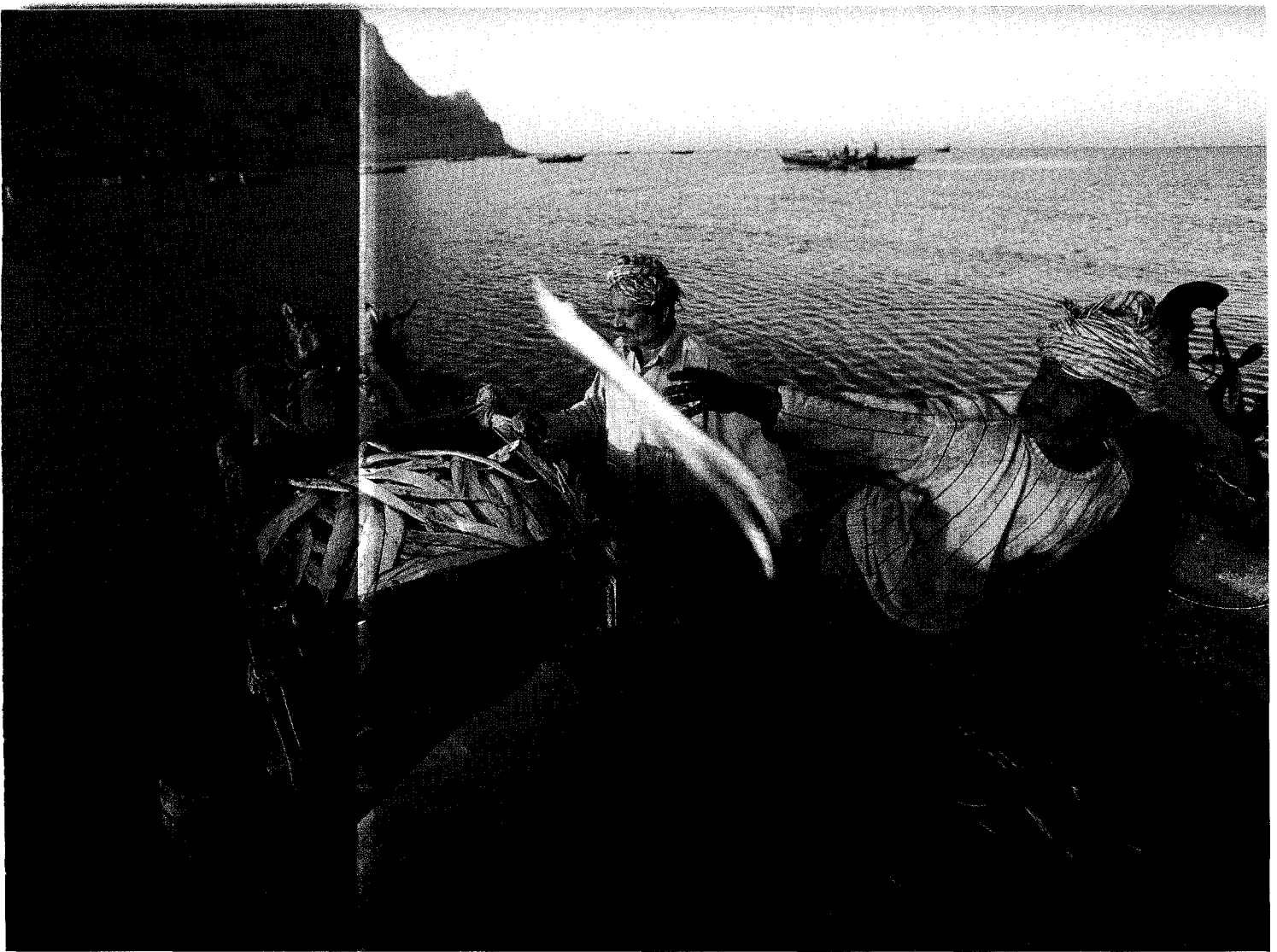
PAKISTAN'S FATAL SHORE

By Robert D. Kaplan

THE WORD *Pakistan* summons up the Indian subcontinent, but the subcontinent actually begins with the Hub River, a few miles west of Karachi, near the Indus River Delta. Thus, Pakistan's 400-mile-long Makran coast, which runs from the Iranian frontier eastward along the Arabian Sea, constitutes a vast transition zone that bears a heavy imprint of the Middle East and particularly of Arabia: directly across the Gulf of Oman is Muscat, the capital of Oman. This transition zone, which also includes the interior land adjacent to the coast, is known as Baluchistan. Through this alkaline wasteland, the 80,000-man army of Alexander the Great marched westward in its disastrous retreat from India in 325 B.C.

To travel the Makran coast is to experience the windy, liberating flatness of Yemen and Oman and their soaring, sawtooth ramparts the color of sandpaper, rising sheer off a desert floor pockmarked with thornbushes. Here, along a coast so empty that you can almost hear the echoing camel hooves of Alexander's army, you lose yourself in geology. An exploding sea bangs against a knife-carved apricot moonscape of high sand dunes, which, in turn, gives way to crumbly badlands. Farther inland, every sandstone and limestone escarpment is the color of bone. Winds and seismic and tectonic disruptions have left their mark in tortuous folds and uplifts, deep gashes, and conical incrustations that hark back far before the age of human folly.

Drive along this landscape for hours on end and the only sign of civilization you'll encounter is the odd teahouse: a partly charred stone hut with jute charpoys, where you can buy musty, Iranian-packaged biscuits and strongly brewed tea. Baluch tribesmen screech into these road stops driving old autos and motorcycles,



wearing Arab head scarves, speaking in harsh gutturals, and playing music whose rumbling rhythms, so unlike the introspective twanging ragas of the subcontinent, reverberate with the spirit of Arabia.

But don't be deceived by the distance that separates the Makran coast from teeming Karachi and Islamabad to the east. Pakistan exists here, too. The highway from Karachi to the Iranian border area is a good one, with only a few broken patches still to be paved. The government operates check-points. It is developing major air and naval bases to counter India's projection of power into the Indian Ocean. And it has high hopes of using new ports on the Makran coast to unlock trade routes to the markets and energy supplies of Central Asia. The Pakistani government might not control the desert and mountain fastnesses of Baluchistan, with their rebellious and smuggling tribes and *dacoits*, or bandits. But it can be wherever it wants, whenever it wants: to extract minerals, to grab land, to build highways and bases. Think of the Pakistani government's relationship to its southwestern province of Baluchistan as similar to that of Washington to the American West in the mid-19th century, when the native American Indians still moved freely, though decreasingly so, and the cavalry had strategic outposts.

Indeed, as the government builds roads and military bases, Baluch and minority Hindus are being forcibly displaced.

Both groups are thought to harbor sympathy for India, and they do: in Baluch and Hindu eyes, India acts as a counterweight to an oppressive Pakistani state. The hope of these minorities is that a fissiparous Pakistan, with its history of dysfunctional civilian and military governments, will give way in the fullness of time to a sprawling Greater India, thus liberating Baluchistan to pursue its destiny as a truly autonomous region.

So: Will Pakistan, beset by internal contradictions that never befell 19th-century America, gradually disintegrate before it subjugates the Baluch? The answer to that question, which will also shape the future of Pakistan's neighbors, is bound up with the future of Gwadar, a port town of 70,000 close to the border with Iran, at the far end of the Makran coast.

IF WE CAN think of great place-names of the past—Carthage, Thebes, Troy, Samarkand, Angkor Wat—and of the present—Dubai, Singapore, Tehran, Beijing, Washington—then Gwadar should qualify as a great place-name of the future.

During the military rule of Ayub Khan in the 1960s, shortly after Oman ceded the territory to Pakistan in 1958, Gwadar fired the imagination of Pakistani planners. They saw it as an alternative air-and-naval hub to Karachi that, along with the

port of Pasni to the east, would make Pakistan a great Indian Ocean power athwart the whole Near East. But the Pakistani state was young, poor, and insecure, with weak infrastructure and institutions. Gwadar remained a dream.

The next people to set their sights on Gwadar were the Russians. Gwadar was the ultimate prize denied them during their decade-long occupation of Afghanistan in the 1980s—the fabled warm-water outlet to the sea that formed the strategic *raison d'être* for their Afghan adventure in the first place. From Gwadar, the Soviet Union could have exported the hydrocarbon wealth of Central Asia. But Afghanistan proved to be the graveyard of Soviet imperial visions. Gwadar, still just a point on the map, a huddle of fishermen's stone houses on a spit of sand, was like a poisoned chalice.

Yet the story goes on. In the 1990s, successive democratic Pakistani governments struggled to cope with intensifying social and economic turmoil. Violence was endemic to Karachi and other cities. But even as the Pakistani political elite turned inward, it remained obsessed with the related problems of Afghanistan and energy routes. Anarchy in the wake of the Soviet withdrawal was preventing Pakistan from establishing roads and pipelines to the new oil states of Central Asia—routes that would have helped Islamabad consolidate a vast Muslim rear base for the containment of India. So obsessed was Prime Minister Benazir Bhutto's government with curbing the chaos in Afghanistan that she and her interior minister, the retired general Naseerullah Babar, conceived of the newly formed Taliban as a solution. But, as Unocal and other oil firms, intrigued by the idea of building energy pipelines from the Caspian Sea across Afghanistan to Indian Ocean energy hubs like Gwadar, eventually found out, the Taliban were hardly an agent of stability.

Then, in October 1999, after years of civilian misrule, General Pervez Musharraf took power in a bloodless coup. In 2000, he asked the Chinese to fund a deepwater port at Gwadar. A few weeks before 9/11, the Chinese agreed, and their commitment to the project intensified after the U.S. invaded Afghanistan. Thus, with little fanfare, Gwadar became an example of how the world changed in the wake of the World Trade Center attacks in ways that many Americans and the Bush administration did not anticipate. The Chinese spent \$200 million on the first phase of the port project, which was completed on schedule in 2005. In 2007, Pakistan gave PSA International of Singapore a 40-year contract to run Gwadar port.

So now imagine a bustling deepwater port at the extreme southwestern tip of Pakistan, much more a part of the Middle East than of the Indian subcontinent, equipped with a highway, and oil and natural-gas pipelines, extending north all the way through some of the highest mountains in the world, the Karakoram, into China itself, where more roads and pipelines connect the flow of consumer goods and hydrocarbons to China's burgeoning middle-class markets farther east.

Another branch of this road-and-pipeline network would go north from Gwadar through a stabilized Afghanistan, and on into Iran and Central Asia. Gwadar, in this way, becomes the hub of a new Silk Road, both land and maritime; a gateway to landlocked, hydrocarbon-rich Central Asia; an exotic 21st-century place-name.

But history is as much a series of accidents and ruined schemes as it is of great plans. And when I got to Gwadar, the pitfalls impressed me as much as the dreams. What was so fantastic about Gwadar was its present-day reality. It was every bit the majestic frontier town that I had imagined, occupying a sweeping, bone-dry peninsula set between long lines of ashen cliffs and a sea the color of rusty tap water. The cliffs, with their buttes and mesas and steeple-like ridges, were a study in complexity. The town at their base could have been mistaken for the sprawling, rectilinear

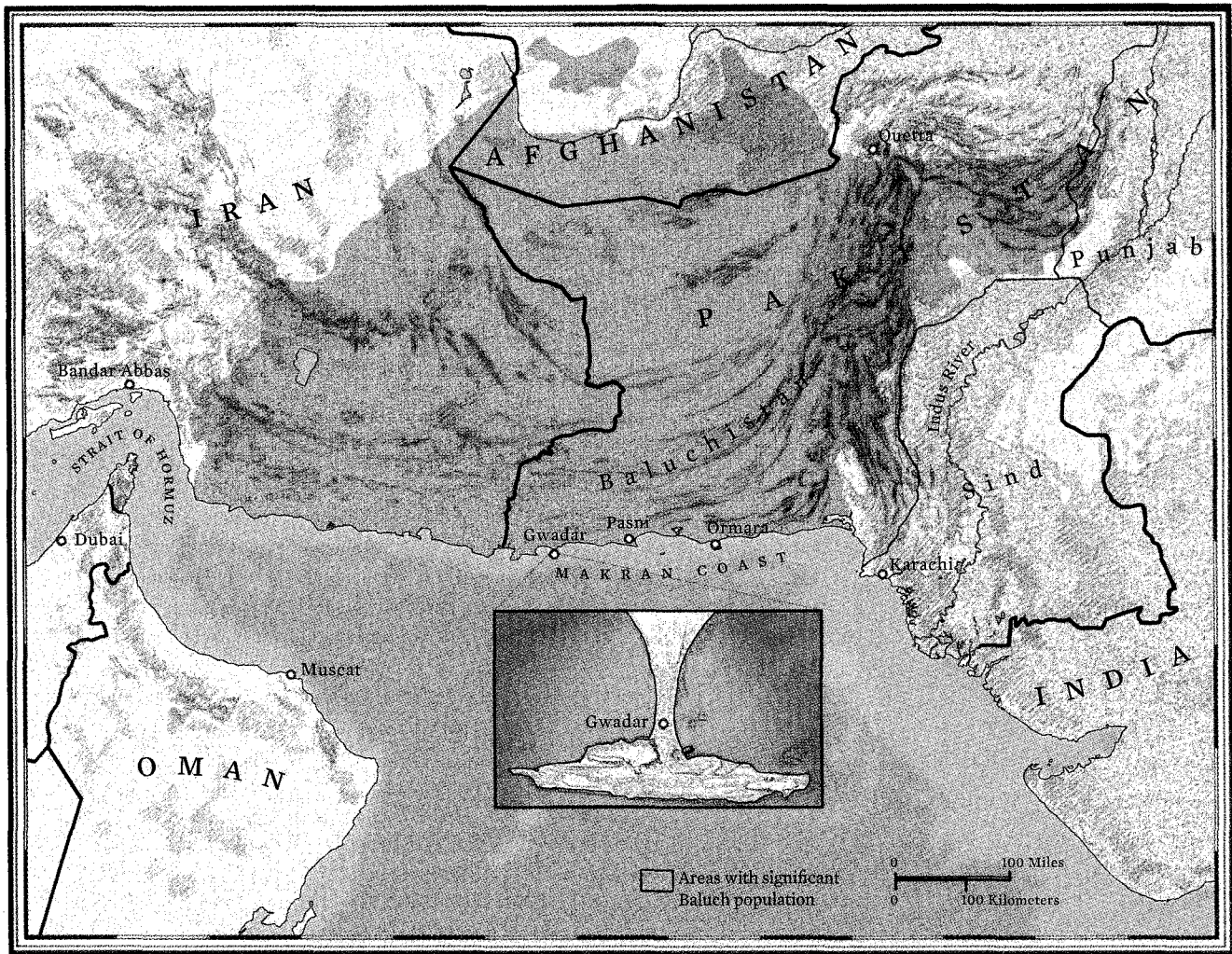
remains of an ancient Near Eastern city: low, scabby white stone walls separating sand drifts and mounds of rubble. People sat here and there in broken-backed kitchen chairs, sipping tea under the shade of bamboo and burlap. Everyone wore traditional clothes; there were no Western polyesters. The scene evoked a 19th-century lithograph of Jaffa, in Palestine, or Tyre, in Lebanon, by David Roberts: dhows emerging out of the white, watery miasma, laden with silvery fish and manned by fishermen dressed in filthy turbans and *shalwar kameezes*, prayer beads dripping out of their pockets.

I watched as piles of trout, snapper, tiger prawns, perch, bass, sardines, and skates were dropped into straw baskets and put ashore via an ingenious pulley system. A big shark, followed by an equally large swordfish, was dragged by ropes into a vast, stinking market shed where still-living fish slapped on a bloody cement floor beside piles of manta rays. Until the next phase of the port-and-pipeline project is in full swing, traditional fishing is everything here.

At a nearby beach, I watched as dhows were built and repaired. Some men used their fingers to smear epoxy on the wooden seams of the hulls while others, sprawled next to scrawny dogs and cats, took long smokes in the shade. There were no generators, no electric drills—just craftsmen making holes with manual drills turned by bows, as though they were playing stringed instruments. A few men working for three months can build a 40-foot fishing boat in Gwadar. The teak comes from Burma and Indonesia. Cod-liver oil, painted on the hulls, provides waterproofing. The life of a boat is 20 years. To take advantage of the high tides, new boats are launched on the first and 15th days of the lunar cycle. This was Arabia before the modern era.

As-Salem Musa, a turbaned Baluch graybeard, told me that his father and grandfather before him built boats. He fondly remembered the days of Omani control, which were “freer” because “we were able to sail all around the gulf without restrictions.” He harbored both hope for and fear of the future: change could mean even less freedom for the Baluch,

If Gwadar languishes, and remains what to a Western visitor was just a charming fishing port, it will be yet more evidence of Pakistan's failure as a nation.



as Punjabis and other urban Pakistanis sweep down to take over the city.

"They don't have a chance," a Pakistani official in Islamabad told me, referring to the fishermen in Gwadar. "Modernity will wipe out their traditional life."

In the covered bazaar, amid the most derelict of tea, spice, and dry-goods shops, their dusty jars filled with stale candy, I met more old men with beards and turbans, who spoke with nostalgia about the sultan of Oman, and how Gwadar had prospered under his rule. Many of these old men had dual Omani-Pakistani nationality. They led me through somnolent, burlap-covered streets and along crumbling mud-brick facades, past half-starved cows and goats hugging the shade of collapsed walls, to a small, round, stuccoed former palace with overhanging wooden balconies. Like everything else in Gwadar, it was in an advanced stage of disintegration. The sea peeked through at every turn, now bottle-green in the midafternoon sun.

At another beach I came upon the stunning, bizarre sight of donkeys—the smallest donkeys I had ever seen—charging out of the water and onto the sand, pulling creaky carts loaded down with fish just transferred from boats bobbing in the waves and flying a black-white-yellow-and-green local flag of Baluchistan. Miniature donkeys emerging from the sea! Gwadar was a place of wonders, slipping through an hourglass.

NEARBY, THE CHINESE-BUILT deepwater port, with its neat angles, spanking-new gantry cranes, and other cargo-handling equipment, appeared charged with expectation, even as the complex stood silent and empty against the horizon, waiting for decisions from Islamabad. Just a few miles away, in the desert, a new industrial zone and other development sites had been fenced off, with migrant-labor camps spread alongside, waiting for construction to begin. "Just wait for the new airport," another businessman from Karachi told me. "During the next building phase of the port complex, you will see the Dubai miracle taking shape."

But everyone who spoke to me about the port as a business hub to rival Dubai (notwithstanding its current economic troubles) neglected a key fact: the Gulf sheikhdoms, and Dubai in particular, have wise, effective, and wholly legitimate governments.

Whether Gwadar becomes a new silk-route nexus or not is tied to Pakistan's own struggle against becoming a failed state. Pakistan, with its "Islamic" nuclear bomb, Taliban- and al-Qaeda-infested northwestern borderlands, dysfunctional cities, and territorially based ethnic groups for whom Islam could never provide adequate glue, is commonly referred to as the most dangerous country in the world, a nuclear Yugoslavia-in-the-making. And so Gwadar is a litmus test,

not just for roads and energy routes but for the stability of the entire Arabian Sea region. If Gwadar languishes, and remains what to a Western visitor was just a charming fishing port, it will be yet more evidence of Pakistan's failure as a nation.

After spending a few days in Gwadar, I attracted the attention of the local police, who thereafter insisted on accompanying me everywhere with a truckload of black-clad commandos armed with AK-47s. The police said they wanted to protect me. But Gwadar had no terrorism; it was one of the safest places that I had been to in nine visits to Pakistan.

Talking to people became nearly impossible; the locals clearly feared the police. "We Baluch only want to be free," I was told whenever out of earshot of my security detail. You might think that economic development would give the

Baluch the freedom they craved. But that's not how they saw it. More development, I was told, meant more Chinese, Singaporeans, Punjabis, and other outsiders. Indeed, evidence indicated that the Baluch would not only fail to benefit from rising real-estate prices, but in many cases would lose their land altogether—and they knew it.

In June 2008, *The Herald*, a respected Karachi-based investigative magazine, published a cover story, "The Great Land Robbery," alleging that the Gwadar project had "led to one of the biggest land scams in Pakistan's history." The magazine detailed a system in which revenue clerks had been bribed by elites to register land in their names; the land was then resold at rock-bottom prices to developers from Karachi, Lahore, and other major cities for residential and industrial schemes. Hundreds of thousands of acres of land were said to have been illegally allotted to civilian and military bureaucrats living elsewhere. In this way, the poor and uneducated Baluch population had been shut out of Gwadar's future prosperity. And so, Gwadar became a lightning rod for Baluch hatred of Punjabi-ruled Pakistan. Indeed, Gwadar's very promise as an Indian Ocean–Central Asian hub threatened to sunder the country.

UNDER THE MAYPOLE

Ribbons, pearl and purple,
dangle from the maypole
down to the pale
hands of children, who pull
them, giggling. They purl
in breezes, and almost rumple.
Under the old eyes of a principal
whose narrow glance is ample
to subdue but not appall,
the children spill
around the skinned and limbless maple
as if outside the temple
of a declining god of simple
rituals easily met. Bells peal.
Old tunes impose their spell
on the awkward small feet they impel
around the resurrection pole.
The pattern's simple,
plaiting boy to pearl
and girl to purple,
and when their fingers touch the pole
and the ribbons, at last, rumple,
no lips purse, no faces crumple
except one teacher's, and I can't spoil
the day's innocent and uninnocent appeal,
which terminates April's
cold intermittent pall.

—Andrew Hudgins

Andrew Hudgins's most recent collection is Shut Up, You're Fine: Poems for Very, Very Bad Children (2009). He teaches at Ohio State University.

PAKISTAN'S ARABIAN SEA coast has long been rife with separatist rebellion: both Baluchistan and Sind have rich, venerable histories as self-contained entities. In recent decades, the Baluch, who number 6 million, have mounted four insurgencies against the Pakistani military to protest economic and political discrimination. The fiercest of these wars, from 1973 to 1977, embroiled some 80,000 Pakistani troops and 55,000 Baluch warriors. Baluch memories of the time are bitter. In 1974, writes the South Asia expert Selig S. Harrison, "Pakistani forces, frustrated by their inability to find Baluch guerrilla units hiding in the mountains, bombed, strafed and burned the encampments of some 15,000 Baluch families ... forcing the guerrillas to come out from their hide-outs to defend their women and children."

What Harrison calls a "slow-motion genocide" has continued. In 2006, thousands of Baluch fled villages attacked by Pakistani F-16 fighter jets and Cobra helicopter gunships. Large-scale, government-organized kidnappings and disappearances followed. That year, the Pakistani army killed the Baluch leader Nawab Akbar Khan Bugti. But as government tactics have grown more brutal, a new and better-armed generation of Baluch warriors has hardened into an authentic national movement. Emerging from a literate middle class in the capital of Quetta and elsewhere, and financed by patriots in the Persian Gulf, these Baluch have surmounted the age-old weakness of feuding tribes, which outsiders like the Punjabis in the Pakistani military once played against each other. According to the International Crisis Group, "The insurgency now crosses regional, ethnic, tribal and class lines." Helping the Baluch, the Pakistanis say, have been the Indian intelligence services, which clearly benefit from the Pakistani armed forces' being tied down by separatist rebellions. The Pakistani military has countered by pitting radical Islamic parties against the secular Baluch. As one activist mournfully told the International Crisis Group, "Baluchistan is the only

**SURGEON GENERAL WARNING: Cigar
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secular region between Afghanistan, Iran and Pakistan and has no previous record of religious extremism.”

The Baluch amount to less than 4 percent of Pakistan’s 173 million people, but Pakistan’s natural resources, including copper, uranium, potentially rich oil reserves, and natural gas, are mostly found in Baluchistan. The province produces more than a third of the country’s natural gas, yet it consumes only a tiny amount. Moreover, as Harrison explains, the central government has paid meager royalties for the gas and denied the province development aid.

Thus, the real-estate scandal in Gwadar, combined with fears of a Punjabi takeover there, taps into a bitter history of subjugation. To taste the emotions behind all of this, I met with Baluch nationalist leaders in Karachi.

THE SETTING FOR the first meeting was a KFC in the Karachi neighborhood of Clifton. Inside were young people wearing Western clothes or pressed white *shalwar kameezes*, the men with freshly shaven chins or long beards. Yet despite the clash of styles, they all had a slick, suburban demeanor. Over trays of chicken and Pepsi, they were texting and talking on their cell phones. Drum music blasted from loudspeakers: Punjabi bhangra. Into this upscale tableaux strode five Baluch men in soiled and unpressed *shalwar kameezes*, wearing turbans and topees, with stacks of papers under their arms, including the issue of *The Herald* with the cover story on Gwadar.

Nisar Baluch, the general secretary of a Baluch nationalist organization, was the group’s leader. He had unruly black hair and a thick moustache. His fingertips tapped on the table as he lectured me, staring into the middle distance. “The Pakistani army is the biggest land grabber,” he began. “It is giving away the coast of Baluchistan for peanuts to the Punjabis.

“The Punjabi army wears uniforms, but the soldiers are actually terrorists,” he continued. “In Gwadar, the army is operating as a mafia, falsifying land records. They say we don’t have papers to prove our ownership of the land, though we’ve been there for centuries.” Baluch told me he was not against development, and supported dialogue with the Pakistani authorities. “But when we talk about our rights, they accuse us of being Taliban.

“We’re an oppressed nation,” he said, never raising his voice, even as his finger-tapping grew in intensity. “There is no other choice but to fight. The whole world is now talking about Gwadar. The entire political establishment in this country is involved in the crime being perpetrated there.”

Then came this warning:

“No matter how hard they try to turn Gwadar into Dubai, it won’t work. There will be resistance. The pipelines going to China will not be safe. They will have to cross through Baluch territory, and if our rights are violated, nothing will be secure.” In 2004, in fact, a car bomb killed three Chinese engineers on their way to Gwadar. Other nationalists have

said that Baluch insurgents would eventually kill more Chinese workers, bringing further uncertainty to Gwadar.

Nisar Baluch was the warm-up to Nawab Khair Bakhsh Marri, the chief of the Marri tribe of Baluch, a man who had been engaged in combat with government forces off and on for 50 years, and whose son had recently been killed by Pakistani troops. Marri greeted me in his Karachi villa, with massive exterior walls, giant plants, and ornate furniture. He was old and wizened, and walked with a cane. Marri spoke a precise, hesitant, whispering English that, combined with his robe and beige topee and the setting, gave him a certain charisma.

“If we keep fighting,” he told me gently, “we will ignite an intifada like the Palestinians’. It is the cause of my optimism that the young generation of Baluch will sustain a guerrilla war. Pakistan is not eternal. It is not likely to last. The British Empire, Pakistan, Burma—these have all been temporary creations.

“After Bangladesh left Pakistan,” Marri continued, in his mild and lecturing tone, “the only dynamic left within this country was the imperialist power of the Punjabi army. East Bengal was the most important element in Pakistan. The Bengalis were numerous enough to take on the Punjabis, but they seceded. Now the only option left for the Baluch is to fight.” He liked and trusted no one in Pakistan who was not Baluch, he told me.

And what about Punjabi overtures to make amends with the Baluch?, I asked.

“We say to these Punjabis”—still in his sweet, regal voice—“Leave us alone. Get lost. We don’t need your direction, your brotherliness.’ If Punjab continues to occupy us with the help of the American imperialists, then eventually our name will be nowhere in the soil.”

Marri explained that Baluchistan overlaps three countries—Pakistan, Iran, and Afghanistan—and would eventually triumph, as the central governments of all those lands weakened. Gwadar, in his view, was just the latest Punjabi plot that would prove temporary. The Baluch would bomb the roads and pipelines leading out of the town.

Leaving his villa, I realized the development of Gwadar depended on how the government in Islamabad behaved. If it did not make a grand bargain with the Baluch, of a scope that would isolate embittered men like Marri and Nisar Baluch, then indeed the giant project near the Iranian border would become another lost city in the sand, beset by local rebellion. If the government did make such a bargain, allowing Baluchistan to emerge as a region-state under the larger rubric of a democratic and decentralized Pakistan, then the traditional fishing village that I saw could well give way to a Rotterdam of the Arabian Sea, its highways and pipelines stretching northward to Samarkand.

But nothing was destiny. ■

Robert D. Kaplan is a national correspondent for The Atlantic and a senior fellow at the Center for a New American Security, in Washington, D.C.

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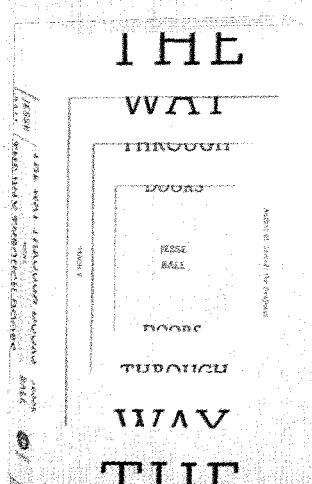
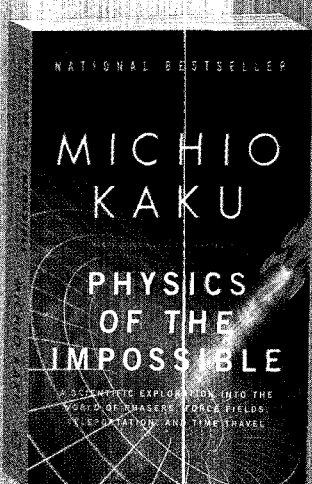
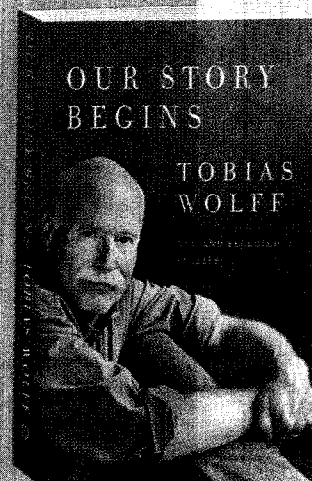
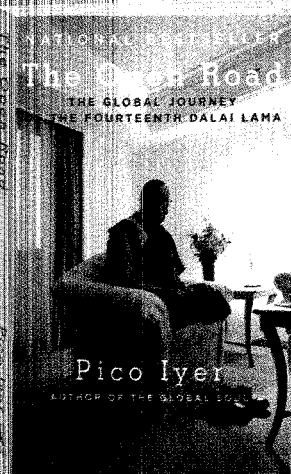
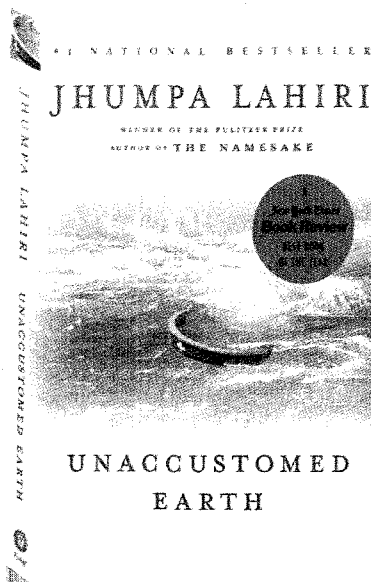
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BOOKS

EDITOR'S CHOICE Benjamin Schwarz on what the Germans really knew about the Final Solution

REVIEW Caitlin Flanagan parses Alec Baldwin's strange version of the father-daughter romance.

ESSAY Christopher Hitchens revisits the committed Communist behind Auden and Isherwood.



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EDITOR'S CHOICE

Co-Conspirators

NEW HISTORIES REVEAL THAT THE NAZI REGIME DELIBERATELY INSINUATED KNOWLEDGE OF THE FINAL SOLUTION, DEVILISHLY MAKING GERMANS COMPLICIT IN THE CRIME AND BINDING THEM, WITH GUILT AND DREAD, TO THEIR LEADERS.

By Benjamin Schwarz

THE PAST TWO years have seen a flood of major works on Nazi Germany, books that include *Life and Death in the Third Reich*, Peter Fritzsche's analysis of everyday life; *Hitler, the Germans, and the Final Solution*, a collection of essays focusing on social history, by Ian Kershaw, the

author of the definitive biography of Hitler; *Germany and the Second World War: German Wartime Society*, the multiauthored, 1,000-plus-page English translation of the ninth volume of the gargantuan, quasi-official chronicle of the war issued by Germany's Research Institute for Military History; and, just published in March, *The Third Reich at War*, by Richard J. Evans, the third and

concluding volume of a work that will almost certainly be for a generation the authoritative general history of Nazi Germany in English.

The Final Solution is at the heart of all these books. This focus may seem obvious now, but 30 years ago, study of the extermination of the Jews hadn't yet entered the mainstream of scholarship on Nazi Germany. In fact, the standard

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single-volume history, Karl Bracher's analytical *The German Dictatorship*, devoted a mere 13 of its 580 pages to the subject. Also all but ignored 30 years ago were the attitudes and opinions of Germans toward the Jews and toward the anti-Jewish policies of the Nazi regime, an issue that today's historians consider central. Most striking is these books' consensus: despite their authors' different aims and methods, and despite their contending interpretations of a host of questions, they all agree that, contrary to claims made after the war, the German people had wide-ranging and often detailed knowledge of the murder of the Jews.

None of the authors uses that conclusion to render easy moral judgments, nor to argue that the population fervently embraced the regime's lethal anti-Semitism (*pace* Daniel Goldhagen's now largely discredited *Hitler's Willing Executioners*). But both indirectly and explicitly, these books make clear that just as the Final Solution itself is now understood to inform so many aspects of Nazi Germany, so too the Germans' knowledge of the murder of the Jews influenced and altered the history of the Third Reich and the war it started.

Three decades of scholarship (a good deal of it undertaken by Kershaw, as well as by the historian David Bankier, in his innovative study *The Germans and the Final Solution*) reveal that from the very onset of the war, it was impossible not to know the Jews' fate. Soldiers and officers wrote home of mass shootings (one letter explicitly details the massacre of 30,000 Jews in a single town), and when they returned on leave, they spoke of the murders in private and in public. Reports of the killing squads, which detailed the number of murders, were routinely routed to midlevel bureaucrats in various departments in Berlin. The "White Rose" student resistance movement in Munich declared in its 1942 manifesto that 300,000 Jews had been killed in Poland, a crime "unparalleled in the whole of history." News of Auschwitz—the death camp within the borders of the expanded German state, exchange 2258 on the German telephone system—reached the diarist Victor Klemperer in March 1942, and by that October he was describing it as "a swift-working slaughter-house";

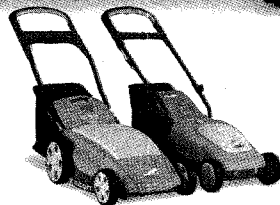
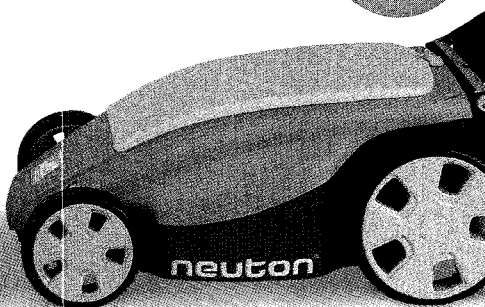
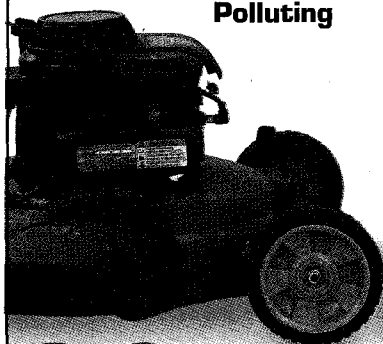
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another diarist recorded hearing an official of the SS security service on a suburban train brag about the number of victims killed at that camp every week. When the BBC beamed detailed descriptions of the workings of the death camps to Germany in 1942, the Viennese diarist Ludwig Haydn said that “with regard to the mass murder of Jews, the broadcast merely confirms what we know here anyhow.”

The Final Solution, too vast in scale and scope to be comprehended fully, was also too vast to be kept secret, as Evans explains:

Railway timetable clerks, engine drivers and train drivers and other staff on stations and in goods yards could all identify the trains and knew where they were going. Policemen rounding up the Jews or dealing with their files or their property knew as well. Housing officials who reassigned the Jews’ dwellings to Germans, administrators who dealt with the Jews’ property—the list was almost endless ... The mass murder of the Jews thus became a kind of open secret in Germany from the end of 1942 at the very latest.

Summing up the evidence he has weighed and sifted for 30 years, Kershaw concludes:

Hard information, not just vague rumor, was being brought back to the Reich and was available. Its extent was considerable, the information itself often impressive in its detail. Only those anxious to shut their ears ... could have been utterly ignorant. And only the willfully ignorant could have imagined a drastically different fate for the Jews than was actually in store for them.

Germans responded to this knowledge in various but all-too-predictable ways. True, Nazi rule had penetrated and altered popular attitudes, so by 1939 most Germans believed that Jews should be segregated or removed from the “folk community.” But the anti-Semitism of most Germans stopped far short of genocide—only a small minority overtly approved of the Nazis’ war against the Jews. Of course, an even smaller number publicly condemned Nazi policy and were prepared to help the Jews: whatever their private

feelings, most Germans responded outwardly with indifference, and with an attitude nicely characterized by Bankier as knowing “enough to know that it was better not to know more.” Although certainly not a commendable stance, it’s hardly surprising. For one thing, as Kershaw writes, “the vast majority of Germans had plenty of other things on their mind.” The Final Solution reached its height just as Germany’s military fortunes began to ebb.

Severe wartime privations, ever-mounting death tolls, growing anxiety about the fate of loved ones engaged in a savage and increasingly desperate struggle on an ever-retreating Eastern Front, the disintegration of everyday life caused by an ever-intensifying Allied bombing offensive against Germany’s cities—all crimped human empathy, to say nothing of collective action.

So, obviously, did fear. Throughout his history, Evans has chronicled the corrosive effects on German society of the Nazis’ network of surveillance and intimidation. In this latest volume, he perceptively highlights the effectiveness of the Nazi state’s coercive methods of winning and sustaining popular compliance, and the constrictions thus imposed on even the most innocuous individual action.

Retrospective condemnation is easy—this was a largely anti-Semitic population that had embraced the psychological and material benefits bestowed by a homicidal regime, and that remained inert in the face of what we now call genocide. But Kershaw’s analysis of a still-obscure study done by Michael Müller-Claudius, a German psychologist, at the very time the Final Solution was being implemented is illuminating. Müller-Claudius prompted 61 longtime Nazi Party members (all had joined the party or the Hitler Youth before the Nazi seizure of power) to discuss anonymously their views of the regime’s anti-Jewish policies. Five percent applauded the notion of exterminating the Jews—but the same percentage fully rejected anti-Semitism.

Twenty-one percent displayed a degree of moral sensibility (advocating, for example, a future Jewish state). The remainder, 69 percent, showed what Müller-Claudius called “indifference of conscience”—an attitude that could contain some sympathy for the Jews but was at best resigned and at worst callously uninterested. Many of the respondents in this group linked their indifference to the risks inherent in adopting another, more sympathetic, view: “The

Gestapo is very sensitive about it. Talk about the subject is not wanted.” If even longtime party members—people presumably unusually committed to Nazi ideology and well-insulated from the regime’s suspicions—were so cowed, one can imagine the constraints the general population felt.

As the social historians of the Reich probe more deeply, it’s increasingly clear that although knowledge of the Final Solution prompted action by only a heroic few, that knowledge—and Germans’ accompanying quiescence—nevertheless loomed large in the mind, and in many cases the soul, of the nation. This was deliber-

ate on the part of the regime. In their public pronouncements Hitler, Goebbels, and Alfred Rosenberg married the bluntest language about an exterminationist policy toward the Jews with a complete absence of detail regarding implementation of that policy. Or the regime would wink at the population, as in a famous speech Goebbels made in 1943: when describing Nazi plans for the Jews, he said “exter—” and then theatrically corrected himself with the word *exclusion*. By establishing the murder of the Jews as an open secret—open enough that awareness of it pervaded society but secret enough that it couldn’t be protested or even openly discussed—the Nazis devilishly nudged the nation into complicity, and further bound the population to its leaders.

The crime revealed and concealed by that open secret became for many Germans the central psychological fact of the war. For those with the

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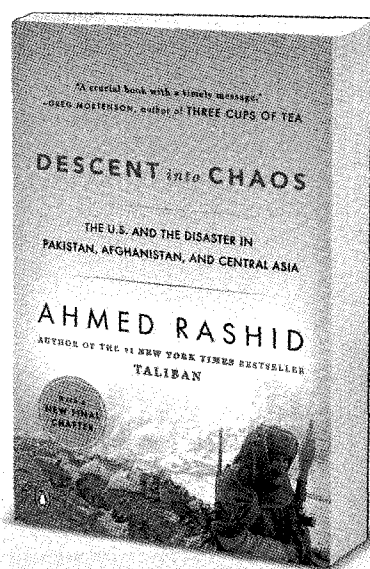
HITLER, THE GERMANS, AND THE FINAL SOLUTION

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exceedingly rare courage to support an acute and active conscience—most notably, the conservative aristocratic officers, including Claus von Stauffenberg, behind the July 1944 plot against the Nazi regime—the war of extermination was the Third Reich's irredeemable disgrace. It was a crime that demanded the Nazis' overthrow and brought upon Germany a "blood guilt" (the term used almost ritualistically) that could not be expunged. The members of that humane, honorable, retrograde bunch embraced political attitudes ranging from the romantic reactionary to the quasi-corporatist to the quasi-authoritarian. They "bore some of the responsibility for the rise of Nazi rule," as the historian Winfried Heinemann remarks in *Germany and the Second World War*, but "they also produced the only resistance that presented any real threat." (For those dedicated to liberal democratic values—and aren't we all?—history provides few better lessons of the fact that we must take, and embrace, our heroes where we can find them.)

But the letters, diaries, and SS reports on the popular mood reveal that even for the many who possessed a more commonplace sense of their own interest, the Final Solution emerged as their nation's defining act, one that would provoke a terrible retribution. This dread was no doubt in part, as Evans maintains, "an unexpected by-product of the continuing Christian convictions of the great majority." But it was also rooted in a matter-of-fact understanding that, as a soldier who had witnessed the massacre of a village of Jews on the Eastern Front put it, "God forbid we lose the war. If revenge comes upon us, we'll have a rough time." The foreboding arose, too, out of virulent anti-Semitism. Even if the Jews had started the war and were therefore responsible for their own suffering, so the thinking went, they would nevertheless thirst for revenge, so the Germans didn't dare surrender. Indeed, they came to see the Allies' relentless bombing offensive (which incinerated, suffocated, or blew apart some 600,000 Germans) as, variously, an act of divine justice, an act of righteous retribution delivered by the U.S. and Britain, or the revenge directed by an international Jewish conspiracy.

But whatever the force animating this vengeance, its agency—Allied air power—was clear, and Germans seem to have agreed on its cause: what Germany had done to the Jews. The air war, which brought the front to the heart of Germany with increasing terror, seemed to serve as "a link," as Fritzsche puts it, between "what happened to Jews and what was happening to Germans." For a very few Germans, this conclusion led to a wish for Germany's defeat. For most, it spurred a desperate commitment to fight on.

And here the open secret of the Final Solution was pivotal. By 1943 at the latest—the year that inaugurated the most terrible phase of the air war, with the firebombing of Hamburg, and the year in which the Wehrmacht's back was broken at Stalingrad and Kursk—the war was lost for Germany. Yet for nearly two more years the Germans would continue the struggle. With its fighter force obliterated and its cities naked before the Allies' fire from the sky, Germany saw civilian deaths in air raids increase nearly tenfold in 1945. The army, already bled white in a series of desperate retreats, would suffer more battlefield deaths in the final 10 months of the war than it had in the previous five years combined. Many factors help explain the ferocious tenacity of German soldiers and civilians. One of them was a justifiable terror of the Red Army. But the suffering that the German civilians endured came preponderantly from the western powers' slaughter from the air, and until the very end, German soldiers fought as hard in the west as in the east. Surely, one factor—one whose power cannot ultimately be determined—was the Germans' fear of the terrible reckoning that must follow from their open secret, a secret Goebbels obliquely but unmistakably shared with the nation in a grim 1943 exhortation to fight to the bitter end: "As for us, we've burned our bridges behind us ... We will either go down in history as the greatest statesmen of all time, or the greatest criminals." The Final Solution had given the Germans no way forward but Armageddon. ■

Benjamin Schwarz is The Atlantic's literary editor and national editor.

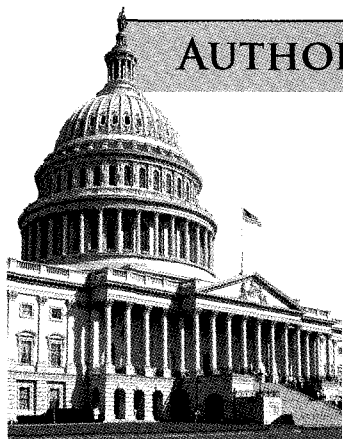
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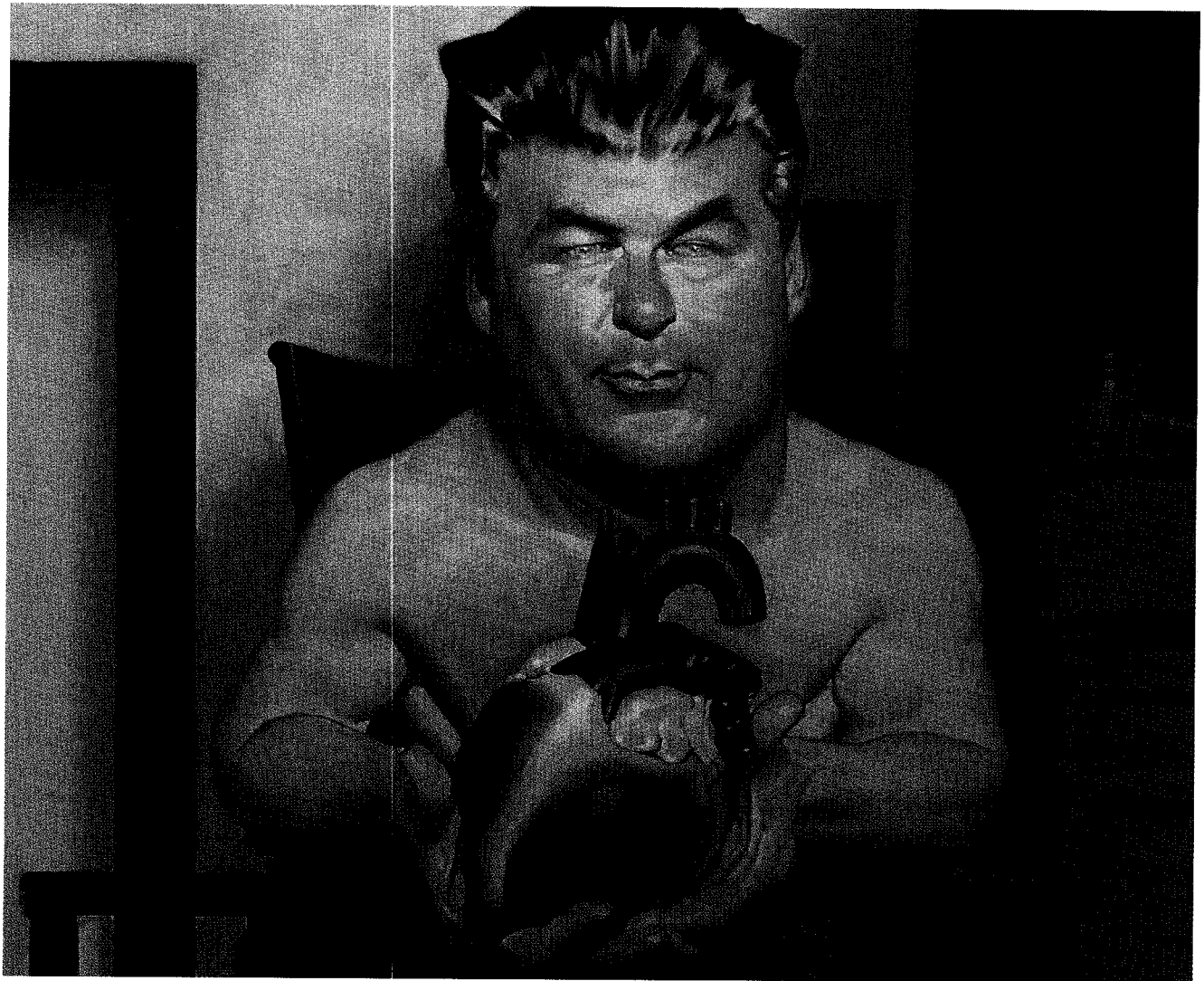
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The Passion of Alec Baldwin

THE BLUSTERING ACTOR'S MEMOIR OF DIVORCE IS REALLY A LOVE LETTER TO HIS DAUGHTER.

By Caitlin Flanagan

ALEC BALDWIN'S *A Promise to Ourselves* proceeds from a double-pronged thesis: that American divorce laws are deeply flawed, and that Kim Basinger is a crazy bitch. I would have liked to hear more about the latter—and is that so wrong of me?—but Baldwin is restrained by a combination of his own legal best interests and a desire not to dwell on a series of episodes that probably would have

reflected as poorly on him as on the old ball and chain, no matter how carefully he told them. “I never wanted to write this book,” he tells us at the outset, in a hangdog advisory that we shouldn’t expect too much. It was also a book I never wanted to read, but here we are, Alec and I, making the best of a bad situation.

Baldwin’s intention is cloaked as public service—this is the go-to book if

you’re thinking of ending a two-movie-star marriage—but his real purpose is to exonerate himself from an incident so grotesque that it’s hard to imagine any piece of written communication short of a suicide note changing our opinion of it. He wants also—desperately—to convince us of the powerful attachment he has to his only child, a girl named Ireland, but on that score, he need never have written

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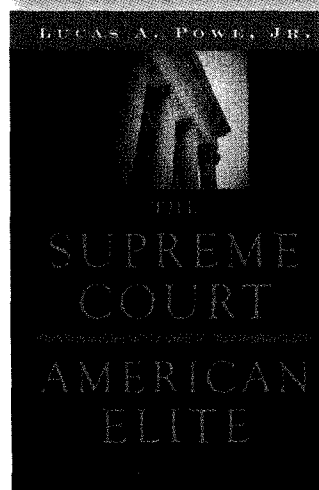
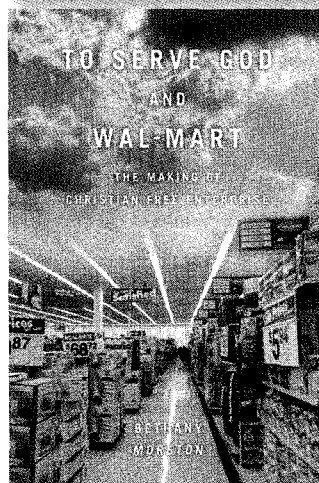
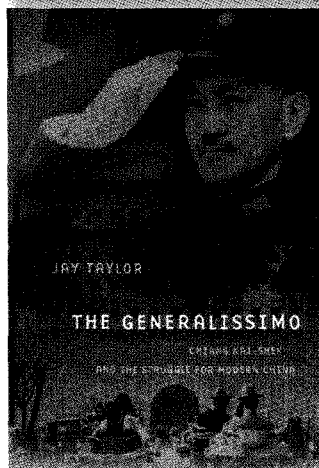
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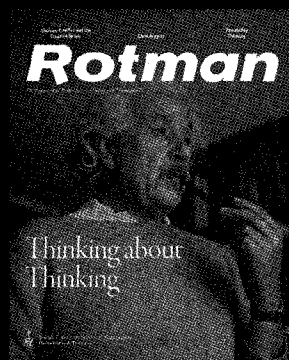
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word one. As anyone who has followed the case over the years can tell you, at its center is a man who loved not wisely but too well.

IT ALL BEGAN—as do so many tales of thwarted desire and human suffering—on a sunny day in the San Fernando Valley. Kim Basinger and Alec Baldwin had brought their newborn baby home from the hospital and were met in front of the house by a tabloid photographer with a video camera who was eager to get the first footage of the infant. In a matter of minutes, the never-ending saga of Alec, Kim, Ireland, and the legal system was born.

Baldwin's a regular guy! Massapequa! Nassau County: white flight, GI mortgages, you know the drill. Dad was a working stiff—a public-school teacher and a hell of a good guy, but he refused to kiss ass and never made it out of the classroom and into the administration job he'd been promised. Ended up coaching a little football to make ends meet.

Used to bust up fights between his sons in the school hallways, telling them he'd kill them if he caught them at it again, and you kind of thought he might mean it. Long story short: although Alec Baldwin is a man of tremendous artistic talent and considerable intellectual curiosity, and although he has without a doubt transcended his humble origins (when he's on the Island, he barrels past Massapequa on his way to his house in the Hamptons), it seems fitting that the role that launched his career as a serious actor was his Broadway turn as Stanley Kowalski.

So, back to the story: Baldwin's driving home from the hospital, and he's got a carful of girl and a lot on his mind. His wife has just been changed from a sex object into a mother, a transformation well known to trouble even the metrosexual heart, and guaranteed to stir up something deep and volatile within any man who has even a touch of Kowalski inside him. And now he has a baby girl, entirely innocent and vulnerable. Protecting these

two females from anyone who would hurt them, and in particular anyone who would try to interfere with this tiny, feminine creature (God help the teenage punk who tried to take her out on a date and treat her the way so many guys had treated so many girls back in Massapequa), had seized him with masculine purpose. He was spoiling for a fight that was 15 years in the future and probably never to happen—by the time prom dates start showing up, so much has taken place between father and daughter that the handoff, while charged, is more an enactment of an emotion than an experience of it—so the next thing you know, he pulls onto his street, comes across the photogra-

pher, and punches his lights out. (Didn't Stanley himself, that "gaudy seed-bearer," rape Blanche the night Stella went into labor? Guys like this get pumped up when they have their first kid; something's got to spill over.) And here, from day one, a precedent was established: Dad's temper combines with

the choke-hold love and blinding possessiveness he feels for his daughter, and anyone seeming to stand between him and that little girl gets the worst of his bad side. The baby and Kim went inside the house and locked the door, while Alec—still high on adrenaline—headed off for the booking station.

THE BASINGER-BALDWIN love affair began with a rocking Star Wagon (sometimes hers, sometimes his) on the Disney lot, and it gave birth, in the fullness of time, to a flaccid rom-com called *The Marrying Man*, but what everyone remembers about the film are the sexual interludes enjoyed, with impressive frequency, by the two principals and the hauteur with which they treated everyone else on the set. You would have thought they were making *Reds*. When the studio wanted to film a pivotal scene inside the beautiful reading room of the Pasadena Public Library, Baldwin declared that it was all wrong for his character, and offered to pay 150 grand of his own money to

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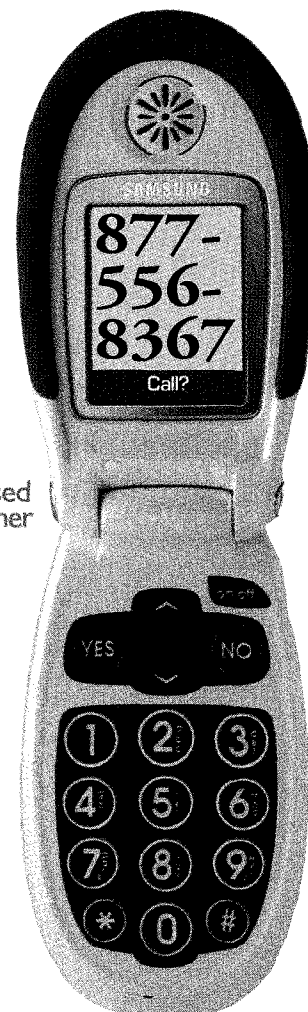
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stage it out in the desert in front of a ravishing sunset. As day must follow dawn, the picture bombed and the ardor cooled, and they might have gone their separate ways had they not found another way to keep a kind of passion smoldering: a big lawsuit, with beautiful, frail Kim at its center, and a host of meanies circling for the kill.

She had agreed to make a movie, *Boxing Helena*, but at the eleventh hour, Basinger decided she wanted the character to be "less of a bitch," and when the studio refused to change the script, she backed out and got sued. "We tried to fulfill her every whim," read the formal complaint against her, but as the producers—and, soon enough, Baldwin himself—would discover, Kim Basinger has a whim of iron. (This is a woman who got Alec Baldwin—Alec Baldwin!—to become a vegetarian. What's the first thing Stanley Kowalski does when he comes onstage? Throws a package of raw meat to his wife.) She stuck to her position with Baldwin at her side, fighting the case to the bitter, bankrupting end. The lawsuit was protracted and ugly, and it stirred in Baldwin a sense of protectiveness, changing their relationship's fundamental dynamic: "The woman who was wealthier and more famous than I was when I met her in 1990 was now bankrupt." They married after the verdict but while the appeal was pending, and the legal struggle both ravaged them and brought them together: "Anger seethed inside me at the way my wife was being treated."

The lawsuit ended, and it seemed likely the marriage would too, but then Kim discovered she was pregnant. Eventually, however, they divorced, with Kim and 7-year-old Ireland living in the San Fernando Valley and Baldwin remaining in New York. But passion, always their strong suit, has been sustained, not by their shared upbringing of their child, but through constant legal entanglements with one another over her custody. They fight and fight while the girl quietly grows up in the shadow of their mutual hatred.

Alec maintains that he has been treated abominably, not simply by his ex-wife (that woman could have defeated the Allied forces at Normandy and still made it to her two o'clock

spray tan) but also by the family-court system itself, which has often sided with Basinger over Baldwin. For complicated reasons having to do with a long-ago appointment to the children's dependency court of Los Angeles, I have a fair grasp of the way contested-custody decisions are made in California, and it's not too difficult to read between the lines of Baldwin's book and get a sense of what has probably been taking place over the years. Baldwin's fury at the system emanates from his belief that the institution is reflexively anti-father. Yet he also admits to having a terrible temper, and to having displayed this protean force in front of the very people authorized to decide his fate. Family court is charged with protecting the physical and emotional safety of children, and if you tend to rave during depositions, you're not going to like the custody orders you get.

The most famous of Baldwin's tantrums occurred fairly recently and accounts for the huge curiosity the book has engendered. Two years ago, when Baldwin was working on *30 Rock* in New York, jetting through the night to California to visit his daughter on weekends, and getting really, really, really angry at the court, he stepped away from a dinner table in Manhattan to place a call to her. He stood outside the restaurant, like a man calling his mistress, and eagerly dialed the number (the court order having guaranteed him telephone contact), but all he heard was the child's familiar, lilting voice, inviting him to leave her a message. Standing on the street, once again confronted by life's inability to meet him halfway with his simple desire to be the center of the universe, he snapped. He raved at the child in the ugliest language imaginable, threatening her and calling her terrible names. Shortly thereafter, the message was leaked to an Internet scandal site. (By whom? *Cherchez la femme*.) And the incident became infamous.

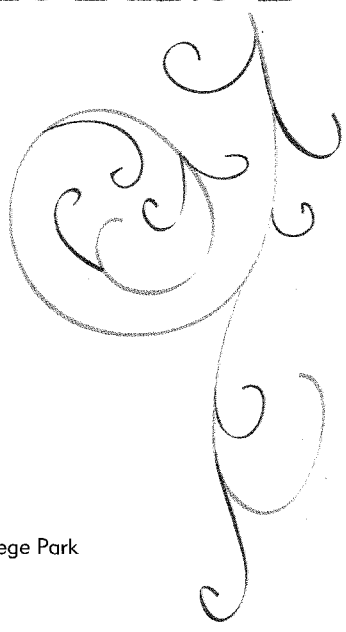
THE ARC OF the moral universe bends toward justice, and sometimes it doesn't even take very long: barely a week after the world heard him screaming epithets at his young daughter, Baldwin appeared, chastened and unshaven, sitting on a



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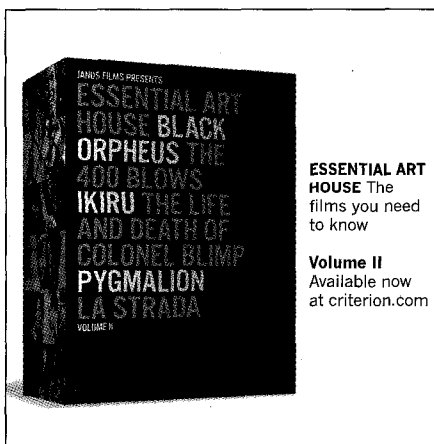


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couch between Barbara Walters and Rosie O'Donnell and doing some very fancy explaining to the audience of *The View*. He kept a cheat sheet of talking points tucked under one buttock, and he repeatedly touched the two women gently on their knees, as if to say, "Me? I wouldn't hurt a fly!"

The long interview reminded us that Walters, who is a national treasure, has a pair of brass ones. When Baldwin started berating his ex-wife (whom he referred to, chillingly, as "the mother"), Barbara interrupted. Compared to the two beefy Long Islanders to her right, she looked like a child ballerina, her hands folded calmly in her lap, her slender legs pressed tightly together. "There are two sides to this," she said. For a moment, Baldwin looked sucker-punched and dangerous, but she pressed on: "In every story, there are always two sides." (Readers: if the runic Basinger ever decides to give an interview, you know who's going to get it. Do it, Kim! Call Barbara!)

For the most part, Rosie adhered to the terms of the 1974 Jim Dandy Agreement (an oath of fealty between the residents of Com-mack and Massapequa, sworn over large helpings of the signature sundae at the Friendly's restaurant off Exit 48), and she showered Baldwin with acceptance and forgiveness, except for one moment when she unexpectedly reached into the open wound and touched nerve: "Now surely you know, the problem that most people had was the use of the word *pig*."

It was true. If you were female and heard that tape recording, you remembered two things about it: the pitch and tenor of the snarling male voice and the use of that word. When a man calls an overweight woman a pig, he is saying she is fat. When he calls a slim and attractive girl—someone like Ireland—a pig, he is using the word in another sense, one that suggests a particularly feminine kind of repulsiveness. It was a horribly crude, almost sexual thing for a man to call his daughter. The whole

voice mail was clearly a product of the kind of uncorked rage that always ends in remorse and sorrow, but it was not entirely witless. It begins with a lucid description of the situation, proceeds to a vivid accounting of how the event has made him feel, and then lays out an action plan for correcting the problem: he's going to fly to California for a day, and "I'm going to let you know just how I feel about what a rude little pig you really are. You are a rude, thoughtless little pig."

When Rosie brought it up on *The View*, Baldwin squirmed, suggesting that perhaps they should break for commercial ("Nothing doing," the child ballerina seemed to say; "take your time"); and finally he admitted that it had been

"improper" of him to use the word and that he had really intended the message for his ex-wife, not his child.

He really loves this girl. For all of the recriminations and ugly episodes, one thing the child surely knows: she is important to her father. She matters to him. Children have an obdurate desire to be central in the lives of their parents, and almost no amount of bad behavior on an

adult's part can change that. To be yelled at by a father is terrible, but far worse is to be unable to incite him to any emotion at all, to become invisible to him—or, worse yet, to be replaced. As Baldwin aptly observes, legions of fathers throw in the towel if an ex-wife makes life too difficult, then invest themselves emotionally in a new and trouble-free set of children with a second wife. Ireland, for all the trauma her parents have inflicted on her, has never been a forgotten child. Her father has spent huge swaths of his life flying to California every weekend to see her; he has volunteered at her school, rented houses close to Basinger's to be nearer to her for visits, and—though he is a prideful man—allowed himself to be humbled time and again, through various court-ordered treatments and programs, all for the sake of being able

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to be with her. This child must know that the endlessly engaging, personally attractive Alec Baldwin would instantly drop everything to come to her assistance if she ever needed him.

Obviously that devotion is romantic, and here is the reason this scandal has engaged us for so long: its true center is not a particularly lurid and public divorce. It's a father-daughter relationship that is fueled with so much notoriety and bad behavior that it is sui generis, but it's also limned by the same dynamics—of amorous engagement, maternal jealousy, and paternal protectiveness—as any other.

A FATHER-DAUGHTER relationship is a kind of romance, one kept well in check by a variety of forces, not least of them the sexual flattening that prolonged domesticity does to all potentially erotic relationships. Dad doesn't get too excited by the sight of Mom in her shimmy anymore, for the same reason Buddy's never taken a hankering to Sissy: they've seen too much. It's not community censure that has kept incest in check all these centuries; it's stomach flu.

But a romance doesn't need sex to flourish, of course, and in his daughter a father discovers a person whose very bloodline ensures that she will be charming to him: at the precise moment that his wife is fading into middle age, her beauty resurges in the daughter—there's that unlined face you fell in love with so long ago! And instead of nattering away about all the tedious things your wife is always going on about, this ravishing new version has been programmed (by you) to talk about and care about all the things you are interested in. As for the girl's feelings about you—well, you're everything. You're not a man; you're the measure of a man.

If you want to understand a woman, you need to know her father. A woman who was cursed with a wretched mother will regale you at length with each of that woman's hurtful acts; a mother can be dead for years, and still her daughter will tell everyone who will listen about the time she wanted a particular pair of party shoes and her mother said, "Those would look better on your sister." But a woman who

had a bad father—or an absent one, or an unpredictable one—will nurse that wound tenderly. A mean mother can be boiled down to a reduction of her bitchery, a set of anecdotes. A mean father only grows in scope and power as the years pass.

In Sylvia Plath's "Daddy," the poetess mows down all of western-European history and lore to convey the wickedness of her father, who has been torturing her "for thirty years": he is a vampire, Hitler. He is personally responsible for every fucked-up, stupid thing she's ever done, from unsuccessfully attempting suicide to successfully marrying Ted Hughes. "Daddy, daddy, you bastard, I'm through," she proclaims defiantly at poem's end (rallying call to a generation!), but it's only in reading the biographical note that we remember that her father (whose greatest crimes against humanity consisted of writing a book about bumblebees and siring Sylvia Plath) had been dead since she was 8.

On the other hand, many women who had especially besotted and doting fathers never get over the experience; there is a childlike quality in those women, a sense that everyone in the world (and the world itself, for that matter) is forever letting them down. A little girl marches her father to a display of expensive dolls at a toy shop, and he says (in a show of delighted helplessness), "She's got me wrapped around her little finger!" Fathers routinely (and quite callously) announce to the world that their daughters have a special and particularly feminine claim to their hearts that their wives don't. It would be a recipe for disaster, were it not for the fact that family life is constructed so that it can contain both romances perfectly. And—as Alec Baldwin may someday come to find out—it's the larger romance that girls (those cunning observers) really have their eyes on. If your father thinks you're enchanting, but he's put your mother out to pasture—well, that's just disturbing. You have somehow beguiled this powerful, grown man in a way your own mother could not; what's wrong with you?

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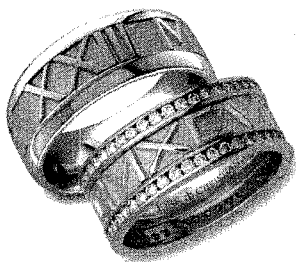
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a boy never will: the dried flowers from her mother's bouquet, the glass ashtray from the honeymoon hotel, the telling (over and over again) of the way her father insisted to the charge nurse that there had to be, somewhere on that maternity ward, a private room for his wife.

I USED TO take three buses to get from the Berkeley hills to the I. Magnin in San Francisco. You had to take the 7 to Palmer's Drugstore on Shattuck, the F across the bay to the city terminal, and then any Geary Street line to Union Square. It was a 14-mile journey that could easily take two hours, and my father and I undertook it each December with a combination of excitement and wariness, determined to bring home his annual Christmas gift to my mother, a quarter ounce of Arpège. We would stand on the plush gray carpeting of the perfume department for a long time, while slender, beautiful young women floated past. The saleslady would dot my own sturdy

wrist with the potion, and still my father would stand there, tapping the edge of his American Express card on the glass counter over and over again in agony. We had taken three buses for the sole purpose of buying one thing, the price of which never changed, but every year I was never entirely sure he had it in him. And then—with a decisive nod—he would lay the card flat and push it toward the woman: "We'll take it."

My father was a college professor, and we lived frugally, but somehow—unlike all my friends in similar circumstances—we seemed always to be on the edge of financial ruin. Our blender was secondhand; our television, like our dryer, came from a "bargain" emporium down in Oakland that was of such dubious character that I now wonder if it was a fence for stolen goods; things around the house (like the upstairs porch that you were warned never, ever to set foot on) were in a permanent state of decay. Things worked until they broke, and then they were left that way—a broken space heater was still a space heater, after all. Who knew if our luck would change, and one day you'd

be inspired to plug the thing in, and out would whirl a blast of warm air?

And yet there we were, every year, buying one of the most expensive perfumes in the world from the best department store in California, and the reason had to do with the fact that deep within our family—the spark that had gotten it all started, turning one Flanagan into four and making a certain red-shingle house in North Berkeley an unparalleled trove of talked-out Chatty Cathy dolls and years-long quarrels, Julia Child soufflés and weekend benders—was a consuming passion. The fact that a long time ago, a young man had gone to a cocktail party in Greenwich Village with a Navy buddy, caught sight of a beautiful young woman, and said to the friend, "Introduce me."

Or words to that effect. I wasn't there! All I know is that for all of their quarreling and bellyaching, they had begun in romance and they gestured back to that romance a hundred times a year. It was in the gifts they gave one another, the notes they sent when they

were apart, the fact that whenever she was combing my father's fringe of white hair before a party, she would say, "You look so handsome, Tom"—and you realized that she wasn't exactly seeing something; she was remembering it. The real sorrow of Ireland's young life is not that

she has a father with an ugly temper; it's that the circle has been broken. She cannot use her relationship with her father as a way of testing the waters of romance without bringing sorrow to her mother. Nor can she exalt in herself—as girls are wont to do—as the product of an epic love, because by now she has become the opposite: the animating force of a great enmity, the only reason these feuding adults are forced to contend with one another. And now, as she casts around in her girlish way for a model on which to shape her own dream of marriage and enduring love, she must look elsewhere. Her own home—that contested piece of property, subject to her father's mood and her mother's caprice—can offer her nothing. ■

Caitlin Flanagan is the author of To Hell With All That (2006). She is at work on Girl Land, a book about the emotional life of pubescent girls.

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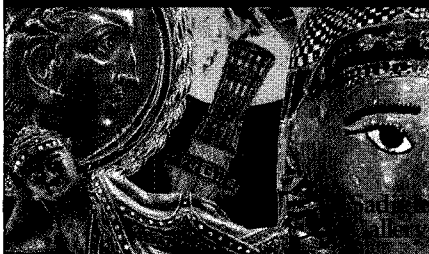


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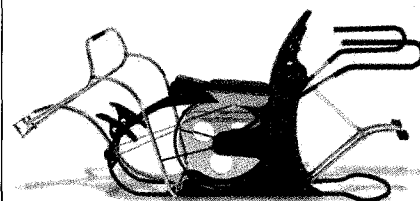
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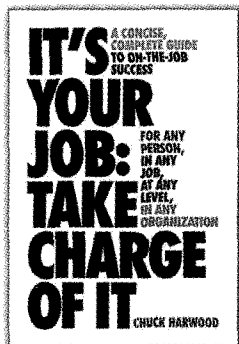
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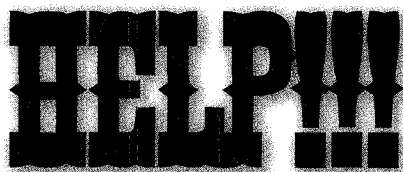
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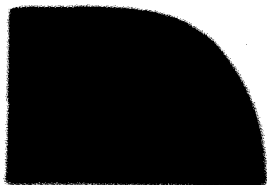
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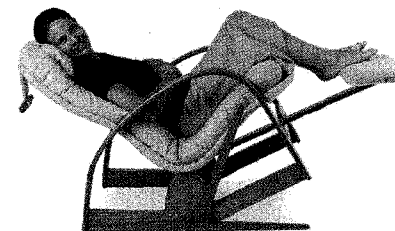


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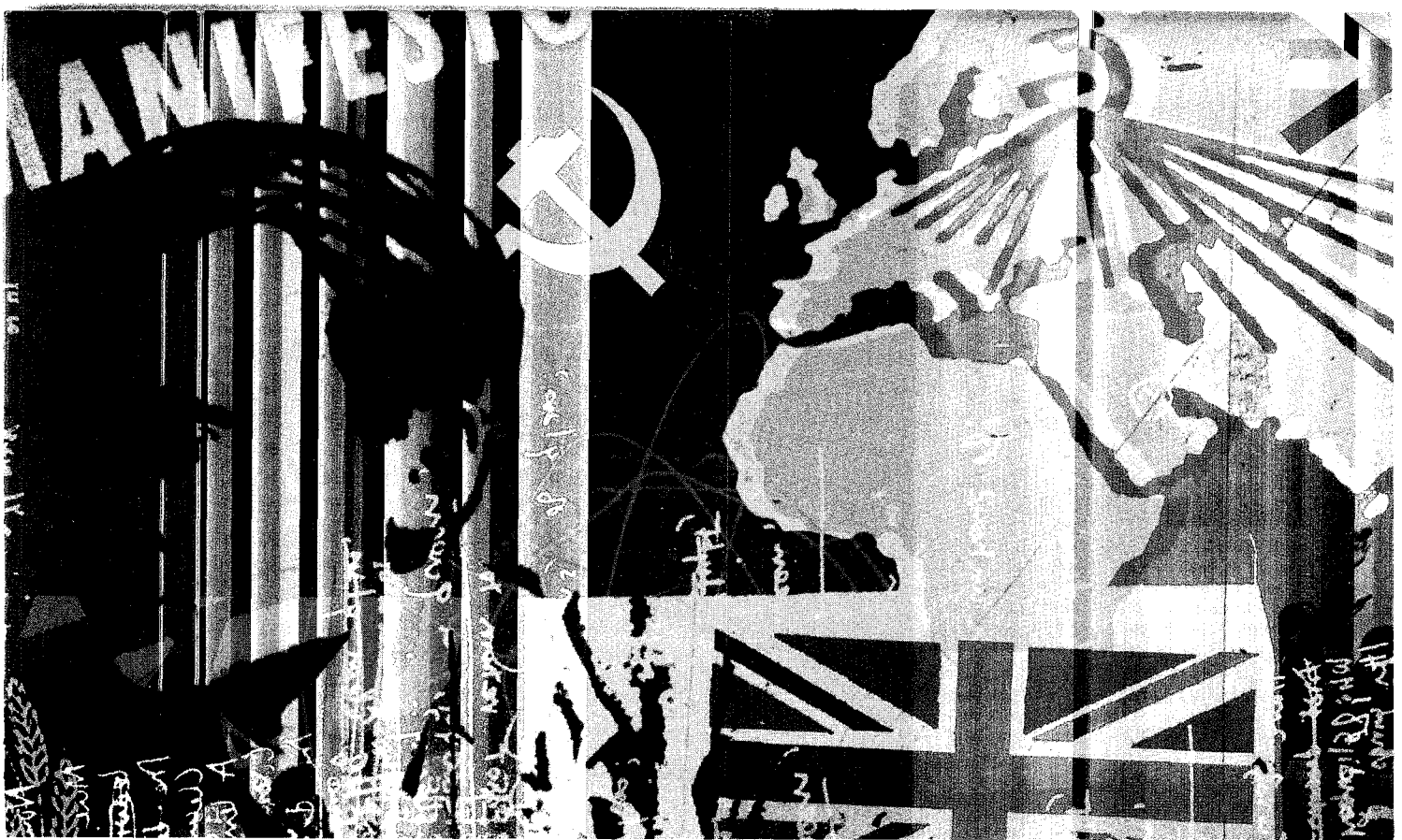
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The Captive Mind

EDWARD UPWARD WAS ONE OF THE ONLY WRITERS OF THE '30S TO DEAL WITH BRITAIN'S ELEPHANT IN THE ROOM—FASCISM—BUT HIS CAREER WAS FOREVER WARPED BY HIS COMMUNISM.

By Christopher Hitchens

EARLY IN THE 1930s, when he was managing the Hogarth Press for Leonard and Virginia Woolf and preparing the anthology—*New Signatures*—that would be received as a species of generational manifesto, John Lehmann wrote that he had

heard with the tremor of excitement that an entomologist feels at the news of an unknown butterfly sighted in the depths of the forest, that behind Auden and Spender and Isherwood stood the even more legendary figure of... Edward Upward.

In that reference to the literary-political celebrities of the '30s, Upward received his due. In a once-famous attempt to get the whole set into one portmanteau term, which was Roy Campbell's coinage of *MacSpaunday* to comprehend the names of Louis MacNeice, Stephen Spender, W. H. Auden, and

Cecil Day-Lewis, Upward was omitted altogether (as was his friend and closest collaborator, Christopher Isherwood). On the eve of Valentine's Day this year, at the age of 105, the last British author to have been born in the Edwardian epoch died. If Upward is not better known than perhaps he ought to be, it is probably because he helped instill the Communist faith in his more notorious friends, and then not only outlived them and their various apostasies but continued to practice a version of that faith himself. (For purposes of comparison, MacNeice died in 1963, Day-Lewis in 1972, Auden in 1973, Isherwood in 1986, and Spender in 1995, so with Upward's death, the last link to that era is truly snapped.)

His traces and spoor and fingerprints are to be found all over the work of those whom he so strongly mentored. Auden dedicated "The Exiles"—one of the Odes in *The Orators*—to Upward,

and made him an executor of his will when he set off to take part in the Spanish Civil War. Upward also makes an appearance as a character in Auden's charade, *Paid on Both Sides*, published in T. S. Eliot's *Criterion* in 1930. In the same year, Auden sent Upward a copy of his *Poems* and wrote, "I shall never know how much in these poems is filched from you via Christopher." With Isherwood, who fictionalized him in *Lions and Shadows* under the name of Allen Chalmers, Upward co-invented the weird dystopia of Mortmere, and co-authored the fantastic gothic tales—*surreal medievalism* was Upward's term for the genre—that became grouped under that name. Isherwood dedicated *All the Conspirators* to him. Spender, in his 1935 study, *The Destructive Element*, presented Upward as an English Kafka. In 1938, the Hogarth Press published Upward's novel *Journey to the Border*, which was thought of by many as the

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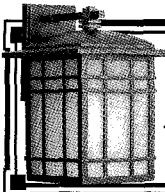
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only English effort at Marxist fiction that was likely to outlast the era in which it was written. And then... silence. There was some rumor of a "nervous breakdown." Nothing was heard from Upward until the early 1960s, when he abruptly produced a trilogy of didactic and autobiographical novels, each illustrating in different ways what a commitment to a Communist life could do to an aspiring author. (When I read them, I was put in mind of something Doris Lessing once said to me about the Communist Party's "Writers' Group," of which she had once been a member: everybody liked to talk about the "problems" of being a writer, and most of the "problems" came from being in the Communist Party in the first place.)

A decade or so ago, becoming aware that Upward was still alive and still writing—and bethinking myself that if I wanted to interview this soon-to-be centenarian and last survivor of his generation, I had better hurry up—I made a voyage to the Isle of Wight, that little diamond-shaped island off the southern coast of England that helps form the natural harbors of Portsmouth and Southampton. In this almost parodic picture-postcard miniature of deep England, Upward had chosen to literally "isolate" himself. The Isle of Wight is where Tennyson came to write *Crossing the Bar*. It is where Queen Victoria kept her favorite home, Osborne House, and it is where she died in 1901, two years before Upward was born.

In a vicarage-style house not far from the railway station in the small town of Sandown, Upward received me and led me to a side room. He explained without loss of time that the main rooms of the little home were out of bounds because his wife, Hilda, was in the process of dying there. "I shall miss Hilda," he said with the brisk matter-of-factness of the materialist, "but I have promised her that I shall go on writing." Attired in gray flannel trousers, a corduroy jacket, and a V-neck jersey, he reminded me of something so obvious that I didn't immediately recognize it. On a table lay the *Morning Star*, the daily newspaper of the Stalinist rump organization that survived the British Communist Party's decision to dissolve itself after the implosion of the Soviet Union. It is entirely possible that

Upward was the paper's sole subscriber on this islet of thatched cottages and stained glass and theme-park rural Englishness. Seeing me notice the old rag, he said, rather defensively, "Yes I still take it, though there doesn't seem much hope these days." When I asked him if there was anyone on the left he still admired, he cited Arthur Scargill, the coal miners' thuggish leader, who was known to connoisseurs as the most *ouvrieriste* and sectarian and demagogic of the anti-Blair forces in the Labour movement. Yet to this alarming opinion he appended the shy and disarming news that the last review he had had in the *Morning Star* had been a good one, precisely because it stressed that not all his work was strictly political. "It particularly mentioned my story 'The White-Pinafores Black Cat.'" I inquired if he was working on a story at that moment. "Yes I am." "And may one know the title?" "It's to be called 'The World Revolution.'" At this point and in this context, I began to find the word *surreal* recurring to my mind.

As so often, this feeling was prompted by a banal detail. Upward, in his flannels and corduroy and jersey, looked exactly like what he was: a retired schoolteacher. And yet, of all the figures detested by his set in the '30s, the schoolmaster was perhaps the most reviled. Auden in particular wrote that he understood fascism because he had experienced an English public school, and in his letters home from Hitler's Germany he described the place as being run "by a mixture of gangsters and the sort of school prefect who is good at [Cadet] Corps." But Upward had volunteered for a lifetime of schoolmastering, and of activism in the teachers union. It was as if he had determined to turn away from the magic realism of Mortmere, and concentrate on the quotidian. Confirming this, and sounding very much the schoolteacher, he said to me, "Writing is not a pleasure. It's a *discipline*."

The beauty of *Mortmere* as a name is its evocation both of dead and stagnant water and of a slightly macabre name for a bucolic setting. (That it also evokes "dead mother" did not occur to me until I read Katherine Bucknell's brilliant introduction to the most recent edition.) The *Mortmere* stories are fascinating because they take the classic English



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village and people it with psychopaths, revealed in titles like "The Leviathan of the Urinals." The vicar is a sicko. The choirboy is far from innocent. And as for the squire in the moated country house, or the headmaster ... It seems to me that Upward took a conscious decision to rid himself of this hedonism and to become a fiction writer with a mission. In his contribution to Cecil Day-Lewis's anthology *The Mind in Chains*, published in 1937, he wrote sternly:

A modern fantasy cannot tell the truth, cannot give a picture of life which will survive the test of experience; since fantasy implies in practice a retreat from the real world into the world of imagination.

This repudiation is expressed with equal severity in the trilogy of novels on which Upward worked after he dropped from view, before the Second World War. Collectively titled *The Spiral Ascent*, and individually titled *In the Thirties*, *The Rotten Elements*, and *No Home but the Struggle*, the novels tell of the distraught life of a Communist

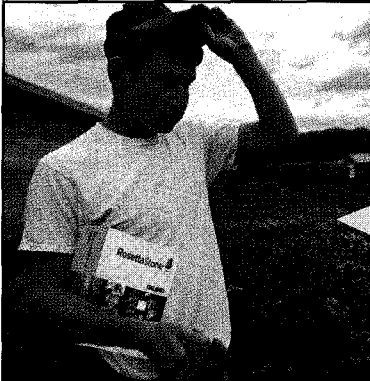
schoolteacher named Alan Sebrill, who discovers to his horror that the Communist Party has become insufficiently revolutionary. To give you an idea of how far away we are from the playfulness of Mortmere, the bleak, admonitory subtitle of the second volume is *A Novel of Fact*.

But Alan Sebrill has a secret. In addition to being a good Communist, he desires to be a good poet. (Upward had won a prize for poetry while at Cambridge University, but when Auden advised him to give up, he did so without demur.) There is even a desperate hope that Sebrill can fuse the two ambitions. Of the party, he tells himself:

It was the enemy of his enemies: it aimed at the overthrow of a society which was dominated by poshocrats and public school snobs and which had no use for the living poets. It demanded that its converts should believe not in the supernatural nor in anti-scientific myths but in man. *If he joined the Communist Party he might be able to write poetry again.* [Emphasis mine.]

Yes, well of course *you* know what's going to happen, but Sebrill doesn't, and I am not even sure that Upward did. In his memorial poem for Yeats, Auden famously wrote, "Poetry makes nothing happen." In the world created by Upward for Sebrill, *nothing makes poetry happen*. And so fantasy keeps on breaking in again, in an unintended way, as the wretched protagonist suffers from hallucinations, nightmares, paranoia, thoughts of suicide, and despair. If Upward had himself hoped to be Maxim Gorky, he ended up vindicating Spender's comparison of him to Kafka.

In one respect of "realism," though, Upward deserves great praise. It is a deplorable fact that the English literature of the 1930s contains scarcely a mention of the phenomenon of fascism. Anthony Powell's long excursion through the upper crust doesn't turn up a single Blackshirt (something of a shortcoming in point of verisimilitude, as he might have phrased it). Evelyn Waugh avoids the subject. Graham Greene's fascists are not English. But for Upward, especially in his first volume



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of *The Spiral Ascent*, the miasma of fascism is in the very air that his characters breathe, and a direct clash with the Blackshirts conveys the intense and local reality that this force sometimes possessed in Britain. Upward at least faced what many shied away from.

I am not sure that this will excuse the *langue de bois* in which Sebrill's crisis of Communism is set down. I collect the dates and occasions on which various writers and intellectuals decided to "break" with "the Party," and these range from the Hitler-Stalin pact of 1939 to the suppression of the Hungarian revolution of 1956. There are some specialized ones as well, such as Eric Hobsbawm's decision not to renew his party card after 1989. In these annals, Upward stands alone for resigning his membership in 1948, on the grounds that the British Communists were insufficiently Stalinist! It makes him quite a collector's item. The experience was evidently a shock to his system, as it was to that of his main character:

He found he could stop his trembling by thinking of Stalin and by speaking the name of Stalin, repeatedly but not quite aloud, much as a religious believer might have called on the name of God. Yet though this was an effective method of suppressing the physical symptoms of his anxiety it did not help him in the least with his writing.

Understandably. Upward may have been many things, but he was never an ironist.

Our conversation on politics was likewise arid, but things invariably improved when he discussed his relations with his departed comrades. He had, for instance, recently had a visit from Isherwood's longtime lover, Don Bachardy ("Yes, I keep in touch with Don"), and at first I had difficulty picturing a friendship between this

austere provincial Englishman and a gay Bohemian painter in Santa Monica. But then, Upward had been the first to spot Isherwood's quirky genius ("even though I didn't know or realize that he was homosexual"). With the others, the contacts (and eventual reconciliations) were conducted through the medium of ... fantasy. In a strange little story called "An Unmentionable Man," Upward's rather self-pitying character encounters a former associate who is obviously Stephen Spender, and at first treats him with great bitterness:

I may not have read every article you've written or television talk you've given about the 'thirties, but I have read and heard more than a few, and there wasn't one of them that didn't completely ignore me.

Yet after a few sharp exchanges with "this copiously white-haired broad-shouldered ruddy-faced man," he abruptly comes to view him as "someone he must not die unfriendly with." Upward's accommodation with Auden was, alas, posthumous: he could never forgive him for having called the '30s "a low, dishonest decade," but carried on a conversation with him in his head, and eventually conceded,

I ought to have recognized that my indignation was less against the injuriousness of his opinions than against him for holding them. I could not dissociate him from himself as the young poet who for me and for other poets of his generation had been the only potential giant among us.

Our knowledge of the literary and ideological generation of the '30s is radically incomplete without some awareness of its founding father, or perhaps better say founding brother. ■

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WHAT'S YOUR PROBLEM?

By Jeffrey Goldberg

Why does the ocean still have all that water when it has all those sponges living in it?

*Lawrence A. Husick,
Southeastern, Pa.*

Dear Lawrence,

This is an important question. I have not paid sufficient attention to the threat posed by rampant sponge reproduction. I asked Dave Gallo, the director of special projects at the Woods Hole Oceanographic Institution, whether the oceans are in imminent danger of sponge-related desertification. "Let's assume sponges hold about 10 times their weight in water," he told me. "Let's also assume that there are about 16 'average' sponges per pound. The planet's ocean water weighs 1,450,000,000,000,000,000,000,000,000 tons, or about 1.5 million trillion trillion tons, which is a lot. The weight of sponges necessary to sop up all that water would be about a tenth of that, or 150,000 trillion trillion tons, which is also a lot. So, 16 sponges per pound means 32,000 sponges in a ton. Multiply that by 150,000 trillion trillion tons, and you come to the conclusion that you would need 4,800,000,000,000,000,000,000,000,000 sponges to soak up the Earth's oceans."

My brother-in-law Jackson has convinced himself he's allergic to cheese. What should I do?

Thomas Carney, Alpena, Mich.

Dear Thomas,

Unfortunately, your brother-in-law might be lactose-intolerant. Shame on him. In today's America—an America of hope and change and acceptance and inclusion—there is simply no room for any type of intolerance, including intolerance of a blameless dairy sugar.

After recently moving to the Philippines for postgraduate work, I've had great difficulty meeting women. Everyone here seems to meet others through common friends. I long for Boston, where discussing Dostoyevsky on the train or offering



someone a light outside a bar led to, at the very least, more polite conversation. How does one approach women in a culture that sees being gabby as being presumptuous?

Lorenzo T., Manila, Philippines

Dear Lorenzo,

A few days ago, I happened to be riding the T to Harvard Square, and, with your letter in mind, I tried to ascertain whether Dostoyevsky was a regular subject of conversation on Boston mass transit. This is what I heard: for two stops, nothing. Then, by Park Street, the car filled up and I heard the following statements: "Cold." "Jeez." And "Shit, I forgot that thing for the meeting." But then I heard this conversation, between a schlubby MIT grad student and a woman I thought at first glance was Julia Stiles:

JULIA STILES LOOK-ALIKE: Do you believe that rational egoism, the application of natural law, and higher reason can point the way to a perfectible society?

SCHLUBBY MIT GUY: If I had to choose between a society predicated on the enlightened self-interest of N. G. Chernyshevsky or on the Dostoyevskian notion that people act without purpose, I'd choose rational egoism, recognizing all the while that it represents a behavioral impossibility.

JULIA STILES: Appropriate choice. Would you like to come to my apartment and see my etchings?

MIT GUY: Depends. What do you etch?

JULIA STILES: Russian serfs.

MIT GUY: Great. I'll bring the condoms.

You were right about Boston! But what happens in Boston isn't replicable in Manila, as you've learned. So for you, I suggest patience, and an air of feigned indifference. Chicks dig feigned indifference. At least they did in the late 1980s, which is the last time I dated. ■

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